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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
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GAVIN NEWSOM, MAYOR

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NOTICE OF CANCELLED MEETING
TREASURE ISLAND DEVELOPMENT AUTHORITY

NOTICE IS HEREBY GIVEN that the regular meeting of the Treasure Island Development Authority scheduled for Wednesday, November 14th, 2007 at 1:30 pm at 1 Dr. Carlton B. Goodlett Place, Room 400, City Hall, San Francisco, California, has been **Cancelled**.

A Special Meeting of the Treasure Island Development Authority Board will be held November 14th, 2007 at 6:30 PM at the Casa de la Vista, Building 271, Avenue of the Palms, Treasure Island, San Francisco, California

Treasure Island Development Authority

LOBBYIST ORDINANCE
Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE
Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact Frank Darby by mail to Interim Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Darby or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, http://www.sfgov.org/sunshine/

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GAVIN NEWSOM, MAYOR

***** PLEASE NOTE LOCATION OF MEETING *****

TREASURE ISLAND DEVELOPMENT AUTHORITY
REVISED SPECIAL MEETING AGENDA

November 14, 2007 - 6:30 P.M.

SF
T71
#1
11/14/07
Special
Revised

Casa de la Vista
Building 271, Avenue of the Palms, Treasure Island

Gavin Newsom, Mayor

DIRECTORS

Claudine Cheng, *President*
Fred Blackwell
Jesse Blout
Jared Blumenfeld
John Elberling, *C.F.O.*
Matthew Franklin
Owen Stephens, *Secretary*
Supervisor Chris Daly *(Ex-Officio)*

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. Report by Director of Island Operations (*Discussion Item*)
   Length of Item: 5 minutes

11-13-07P03:03 RCVD

3. Report by Office of Base Reuse and Development (*Discussion Item*)
   Length of Item: 5 minutes

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4. Communications (*Discussion Item*)
   Length of Item: 5 minutes

5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*) *No presentation this meeting*

6. Ongoing Business by Directors (*Discussion Item*)
Length of Item: 5 minutes

7. General Public Comment (*Discussion Item*) ***In addition to General Public Comment (Item #7), Public Comment will be held during each item on the agenda.***
Length of Item: 20 minutes

8. **CONSENT AGENDA**
Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a.) Approving the Minutes of the October 10th, 2007 Regular Meeting (*Action Item*)

b.) Resolution Authorizing a Fifth Amendment to the Contract with Seifel Consulting Inc. to Revise the Scope of Services, Increase the Budget from $129,600 to a Total Not-to-Exceed Amount of $297,460 and Retroactively Extend the Term for an Additional 24 Months from July 1, 2007 through June 30, 2009 (*Action Item*)

c.) Resolution Authorizing the Director of Island Operations to Extend the Term of a Utilities Services Contract with the US Coast Guard (*Action Item*)

9.) Resolution Authorizing the Director of Island Operations to Execute a Sublease for the Café at Building 183 with the Treasure Island Job Corps (*Action Item*)
Presented by: Marc McDonald, TIDA Facilities Director
Length of Item: 10 Minutes

10.) Resolution Authorizing the Director of Island Operations to Execute the Sublease between the Treasure Island Development Authority and San Francisco Gaelic Athletic Association (*Action Item*)
Presented by: Marc McDonald, TIDA Facilities Director
Length of Item: 5 Minutes

11.) Resolution to Authorize the Director of Island Operations to Enter into Subleases for Residential Use of Quarters 10, 61 and 62 as Temporary Housing (*Action Item*)
Presented by: Marc McDonald, TIDA Facilities Director
Length of Item: 5 Minutes

12.) Presentation of Final Draft Designs for Treasure Island Logo (*Discussion Item*)
Presented by: Mirian Saez, Director of Island Operations
Length of Item: 5 minutes

13.) Discussion of Future Agenda Items by Directors (*Discussion Item*)
Length of Item: 5 minutes

14.) Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases will be available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street at least 72 hours before the meeting. Public comment is taken on each item on the agenda.

The Treasure Island Development Authority Board of Directors and the Director of Island Operations invite the public to attend an informal reception immediately following adjournment of the meeting in the Casa de la Vista.

Disability Access

The Treasure Island Development Authority is holding this special meeting on Treasure Island at the Casa de la Vista, Building 271. The Casa de la Vista is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) **at least 72 hours** prior to the meeting to help ensure availability.

The MUNI bus line serving Treasure Island is the 108 Treasure Island, which departs from the Transbay Terminal at Mission and Fremont Streets in downtown San Francisco. Accessible parking is available at the Casa de la Vista. For more information about MUNI accessible services, call 923-6142.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

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(Chapter 67 of the San Francisco Administrative Code)

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: **Mirian Saez, Director of Island Operations**

From: **Marianne Mazzucco Thompson, Public Information Officer**

Date: **October 29, 2007**

Re: **Update on Community Benefits Fund**

On November 11, 2005, the Treasure Island Development Authority Board (Authority Board) approved Resolution #05-041-11/09, directing Project Staff and the Mayor's Office of Neighborhood Services (MONS) to engage in a community outreach process for the purpose of establishing priorities for expenditure of a Community Benefits Fund. The Autority Board sought to establish a Community Benefits Fund utilizing the developer's reimbursement funds from planning activity in fiscal year 2005-2006, by earmarking the funds for the community in TIDA's operating budget. The TIDA Board authorized TIDA staff to asses the communities needs and expend funds up to $1,055,244.

On April 11, 2007 the TIDA Board approved the following items for expenditure of the Community Benefits Fund.

Item	Amount Approved	Funding Mechanism
Residential Playground	$289,000	Journal Entry, Transfer of Funds to JSCo
Kidango for Affordable Daycare to improve Island Resident Utilization	$25,000	Grant
The Treasure Island Boys and Girls Club for extra curricular activities, such as tutoring, mentoring and mental health	$80,000	Grant
A Skateboard Park	$61,000	Interdepartmental Work Order
TIHDI Economic Self Sufficiency Program	$50,000	Grant
Emergency Preparedness	$75,000	Interdepartmental Work Order
Community Events Fund	$10,000	General Purchase Orders
Total	$590,000	

Current Status of Funds:

Item	Status
Residential Playground	JSCo has been assigned as project manager. JSCo is working with Ross Equipment to finalize the plan and order equipment for installation.
Kidango for Affordable Daycare to improve Island Resident Utilization	Grant paperwork completed and reviewed by staff. Funds distributed November 14, 2007.
The Treasure Island Boys and Girls Club for extra curricular activities, such as tutoring, mentoring and mental health	Grant paperwork completed and reviewed by staff. Funds distributed November 14, 2007.
A Skateboard Park	Pending approval by the Navy for site location.
TIHDI Economic Self Sufficiency Program	Grant paperwork completed and reviewed by staff. Funds distributed November 14, 2007
Emergency Preparedness	Pending execution of the Department of Emergency Management and URS agreement. Estimated commencement: January 2008.
Community Events Fund	To date, $1807 has been expended on materials and supplies for community events.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

Treasure Island Development Authority
Communications Policy
November 1, 2007

The Treasure Island Development Authority (TIDA) is responsible for the accurate and timely dissemination of information to residents, commercial tenants, and media outlets. In order to fulfill that responsibility, TIDA has created the following Communications Policy which is designed to create both a uniform message and an effective method of communication to the residents and commercial tenants. TIDA will work collaboratively with Island groups but reserves the right of final approval on all communications.

In order to effectively communicate with the residents and the commercial tenants, the following procedures are agreed upon by TIDA, the John Stewart Company (JSCo) and the Treasure Island Homeless Development Initiative (TIHDI).

Communications with Residents and Commercial Tenants
The Director of Island Operations and TIDA Project Staff are responsible for disseminating important information that must be communicated to the residents and commercial tenants in a timely manner. These include information relevant to safety and quality-of-life issues. TIDA Project Staff will work collaboratively to share information with JSCo and TIHDI. The Public Information Officer (PIO) will distribute information to the appropriate persons or groups with prior review and approval by the Director of Island Operations.

For information that must be distributed more than two weeks prior to the event, the PIO will create a flyer, advisory, or letter (Communiqué) and distribute it to JSCo and TIHDI. JSCo and TIHDI are responsible for the Communiqué reproduction and distribution. Both agree that they will expeditiously distribute the Communiqué within one week of receipt.

For information that must be distributed less than two weeks prior to the event, the PIO will create the Communiqué and distribute it to JSCo and TIHDI. Both JSCo and TIHDI agree that they will make every effort to expeditiously distribute the Communiqué upon receipt. Additionally, JSCo accepts the responsibility of displaying a Sandwich Board at the Gate and hand- distributing the Communiqué to the 88 units on Yerba Buena

Island. It is agreed that a Communiqué received by TIHDI prior to any Friday can be distributed by Catholic Charities to the TIHDI units in their regular weekly distribution.

On occasion TIDA will require direct communication to the residents. TIDA will generate a communiqué and distribute to the residents and commercial tenants through direct mail.

In all circumstances, an electronic copy of the Communiqué will be e-mailed and posted on the three local Treasure Island websites - 94130.net, 94130.com, and treasureislandonline.net. An electronic copy will also be posted on the TIDA website.

A monthly calendar with Treasure Island events and activities will be published and mailed to all residents and commercial tenants by the PIO to keep them informed about a particular event or occurrence. The calendar may be used as a tool by residents and commercial tenants to publicize their events and activities.

TIDA uses other means to communicate with the residents and commercial tenants. They include: the monthly community meeting held on the third Wednesday evening of each month; banners placed at the front gate; distribution of the Communiqué by the front gate guard; and the quarterly Island Partners meeting for commercial tenants.

Media
All media inquiries shall be directed to the Director of Island Operations and the PIO. Inquiries relevant to redevelopment shall be forwarded to the Office of Base Reuse and Development.

Emergencies
The San Francisco Police Department, San Francisco Fire Department, Public Utilities Commission, and Department of Public Works shall contact the Director of Island Operations and the TIDA Emergency Coordinator when there is an emergency on the islands. The Director of Island Operations, the TIDA Emergency Coordinator and the PIO will work collaboratively with appropriate department personnel to coordinate services and disseminate information.

Treasure Island Development Authority Board and Board of Supervisors
All communications to the Board of Directors and the Board of Supervisors shall be managed through the Director of Island Operations and the TIDA Board Secretary.

Treasure Island Development Authority
Subleases Executed Pursuant to
Leasing Policy

Tenant Name Building No. Address	Commencement Date	Use	Monthly Rent	Square Feet	Type	Monthly Rate psf	Allowance	Rent Credits	Comments
Jim Mirowski Building 201 800 Avenue H	October 21, 2007	Storage	$1,980	6,600	NNN	$0.30	None	None	
Film Commission Hangar Three 600 California Ave.	November 12, 2007	Film Production	$ 10,000.00	100,000	NNN	$0.10	None	None	

" The Director of Island Operations shall present a written description at each monthly meeting of the Authority describing all leasing activity, including leases and renewals signed by the Director and the terms of those subleases and renewals."
Section III. B REVIEW AND REPORTING REQUIREMENTS
TREASURE ISLAND DEVELOPMENT AUTHORITY INTERIM SUBLEASING POLICY

CITY & COUNTY OF SAN FRANCISCO

OFFICE OF BASE REUSE AND DEVELOPMENT
CITY HALL, ROOM 448
1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA 94102
415.554.5313 FAX 415.554.6018



GAVIN NEWSOM, MAYOR

M E M O R A N D U M

DATE: Friday, November 9, 2007

TO: Treasure Island Development Authority Board of Directors

FROM: Jack Sylvan, Office of Base Reuse

RE: Information on the Federal Emergency Management Agency's Floodplain Mapping Process for San Francisco and Implications for Treasure Island

EXECUTIVE SUMMARY

The Federal Emergency Management Agency (FEMA) has published preliminary draft Flood Insurance Rate Maps (Maps) for the City and County of San Francisco (City). The Maps identify areas within the City that may be subject to flooding hazards, mainly along the shoreline of the bay and along the coast. Staff from the Office of Base Reuse and the TIDA Project Office are working with the public, City, Port of San Francisco (the Port), FEMA, and the master developer, Treasure Island Community Development (TICD), to prepare comments on the preliminary draft Maps for submittal to FEMA.

Once the Maps are finalized and published by FEMA, the City may join the National Flood Insurance Program (NFIP). The NFIP provides affordable flood insurance for communities that participate in the Program. To participate in the NFIP, the City would need to adopt a Floodplain Management Ordinance that meets the minimum floodplain management criteria of the Program. The City has already begun the public process to determine whether to join the NFIP.

The preliminary draft Maps identify areas on Treasure Island that may be subject to flooding (Attachment A to this memo). The redevelopment plans for Treasure Island will incorporate site improvements to remove these areas from flood hazard areas or avoid development in flood hazard areas.

Most importantly, Treasure Island is no more subject to potential flood hazards today than it was before the FEMA preliminary Maps were published. Nor is an individual's access to affordable flood insurance today different than it was prior. However, if the City joins the NFIP, federally-backed affordable flood insurance would be available to property owners and tenants on Treasure Island.

DISCUSSION

San Francisco does not currently participate in the NFIP, nor has FEMA ever published a final Flood Insurance Study or Maps showing flood hazards in the City. As a result, FEMA is proposing to adopt new Maps for all of San Francisco and has released preliminary draft maps for public review and comment. The preliminary draft Maps have identified some areas on Treasure Island that would be subject to flood hazards.

Flood Hazard Mapping and the National Flood Insurance Program

Most communities in the Bay Area were mapped for flood hazards by FEMA in the 1970s and 1980s. San Francisco has never been mapped, except for the San Francisco International Airport which has an identified Special Flood Hazard Area. FEMA published preliminary Maps on September 21, 2007 for the entire City and County of San Francisco. The maps have been prepared to update flood hazard information for San Francisco and to encourage San Francisco to join the NFIP.

The NFIP is a federally managed program created in 1968 to reduce the risk posed by floods throughout the United States. Under the NFIP, the federal government provides financial backing for affordable flood insurance in exchange for the adoption of floodplain management regulations by communities participating in the NFIP. The NFIP is managed by FEMA, and participation is voluntary; however, there are certain financial disincentives for communities that do not participate, as described below.

The Maps show identified Special Flood Hazard Areas. These areas are typically near riverine or coastal areas and have a 1% chance of flooding in a given year (base flood or 100-year flood). Flood zones on the maps for San Francisco are shown as Zone A (areas of coastal flooding with no wave hazard; or waves less than three feet in height) or Zone V (coastal high hazard areas with significant wave action). The maps are used for insurance purposes and as the basis for local floodplain management.

To join the NFIP, the City must adopt a Floodplain Management Ordinance, as discussed in more detail below. Once the City joins the NFIP, property owners in the community have the opportunity to purchase federally backed affordable flood insurance. On average, the cost of insurance for a home is $400 per year for $100,000 of coverage or approximately $140 per year for $10,000 of coverage for residential contents for a rental unit.

The following incentives exist to encourage local communities to join the NFIP:

- Federally-regulated lenders (including Fannie Mae and Freddie Mac) may not make, purchase, increase or extend any loan on an insurable structure in a Special Flood Hazard Area unless the owner has flood insurance;

- Residents and businesses may not purchase federally backed flood insurance if the community does not join the NFIP;

- Federal agencies may not provide financial assistance for acquisition and construction purposes in Special Flood Hazard Areas if a community does not join the NFIP; and

- FEMA cannot provide flood-related disaster assistance in Special Flood Hazard Areas to communities and individuals in communities that do not join the NFIP.

Most communities that are mapped with Special Flood Hazard Areas join the NFIP, and it is anticipated that San Francisco will choose to join the NFIP.

Floodplain Management Ordinance

As mentioned above, to join the NFIP, San Francisco would need to adopt a Floodplain Management Ordinance. The purpose of a Floodplain Management Ordinance would be to adopt specific regulations for areas at risk of flooding to minimize risk to people and property. To achieve this, the ordinance would identify a Flood Plan Administrator and include design standards for new development within a Special Flood Hazard Area, if new structures are not removed from the floodplain. In addition, the ordinance would include regulations to control the alteration and/or development of flood channels and facilities so that the changes do not increase the potential risk of flooding.

Within the Zone A Special Flood Hazard Area, the major impacts of these restrictions to new development would be that most new development would be required to be removed from the floodplain to avoid being subject to the design standards. This would usually occur through the grading of land to increase the building site to an elevation higher than the base flood level, or through improvements to flood-protection facilities (i.e., seawalls) to remove the risk of flooding within the area.

Within a Zone V Special Flood Hazard Area, which mainly affects the Port's piers and the immediate areas along the coast subject to wave action, except for extraordinary situations, the City would be required to restrict construction of buildings on the seaward-side of the mean high tide (i.e., on the existing waterfront piers). The City could adopt variances to the ordinance that would allow construction for functionally-dependent (i.e., water-oriented) purposes or to exempt historic structures from this restriction. Roadways and buildings raised above the wave height could be constructed in Zone V areas on the landside of the mean high tide. Buildings constructed in Zone V areas would have to be elevated on piers so that waves could pass underneath them.

Implications of the Flood Insurance Rate Maps for Redevelopment of Treasure Island

Attachment A includes the preliminary draft Maps for Treasure Island.[4] Based on these maps, Special Flood Hazard Areas are identified at the northwest and southeast corners of the Island (A zones). In addition, there is a sliver of Zone V shown along the coastline perimeter, as is the case along the entire San Francisco waterfront.

The infrastructure and land use plans for the redevelopment of Treasure Island are being developed to address potential flood hazards as depicted by the FEMA Maps. This can be done through two primary methods, both of which will be considered:

1) Improving and increasing the elevation of the perimeter seawall
2) Increasing the elevation of roads and structures via grading

Ultimately, the infrastructure and land use plans attached to the Disposition and Development Agreement approved by TIDA and the Board of Supervisors will include infrastructure and site improvements to mitigate potential flood hazards. After that the FEMA Maps will be amended to remove those areas from the flood hazard areas via a formal FEMA process.

NEXT STEPS

The tentative schedule for the completion of FEMA's mapping effort and the is:

• September 21, 2007:	FEMA publishes preliminary San Francisco Maps
• October 16, 2007:	Technical Committee Meeting with FEMA to discuss assumptions
• October 17, 2007:	Presentation at Treasure Island Community Meeting
• October 22, 2007:	Start official public hearing process with the Board of Supervisors' Land Use Committee
• October-December 2007:	60-day protest period (to be headed by the City)
• November 2007:	TIDA to provide comments to City for submittal to FEMA
• December 22, 2007:	City submits formal comment package to FEMA
• March 2008:	FEMA notifies City that the map will be finalized and City has six months to adopt Floodplain Management Ordinance
• September 2008:	FEMA publishes Final Maps and Floodplain Management Ordinance must be implemented

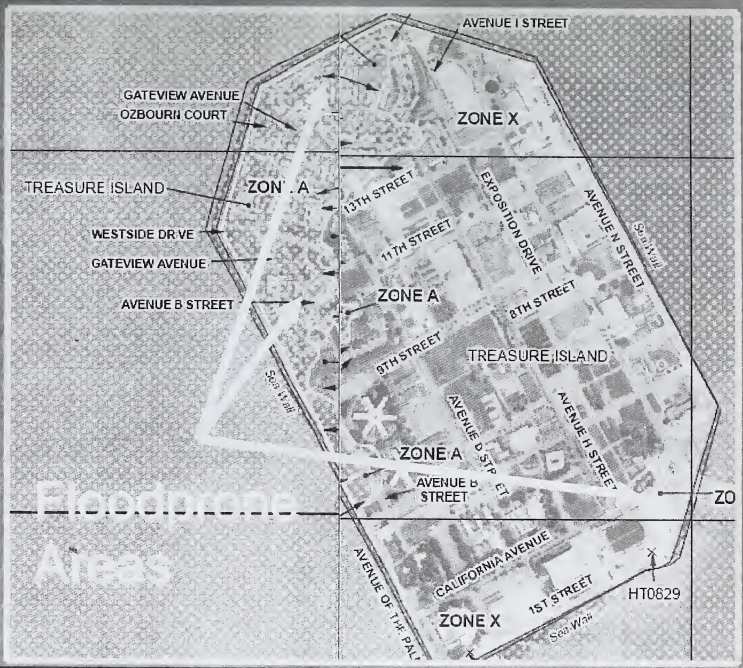
Attachment A – Draft Preliminary Flood Insurance Rate Maps Covering Treasure Island

Preliminary FIRM









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You are invited to the...

Treasure Island Harvest Celebration

Come join your neighbors, make new friends, and share this special holiday when we celebrate the bounty of the land.

When: Saturday, November 17th
Time: 2 pm—5 pm
Where: Shipshape Building
Who: All residents and people who work on the Islands are invited. You MUST reserve your place ahead of time.
Cost: FREE—but we do ask you to bring a dish to share
Reservation Deadline: we must have your reservation by the end of November 14th.

To reserve your place, either

- log on to www.TreasureIslandOnline.net and click on the "Harvest Celebration" box, **or**
- complete the form below and return to "Good Neighbors of TI/YBI" P.O. Box 420602, SF, CA 94142, **or**
- call 415-520-6653 and leave the info on the form.

Name: _____

Building/Unit # and Street:_____

Phone Number: _____ ___ Adults ___ Children

If your last name begins with:

A – F please bring Bread/Chips
G – L please bring a Side Dish
M—R please bring a Desert
S— Z your choice

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BOYS & GIRLS CLUB

Events

Every Monday: 3 pm – 7:30 pm Chicken Hooray! Serving fresh, hot chicken in the Chapel Parking lot. Please look for the red and silver checkered rotisserie truck.

Every Monday and Wednesday: 6 Pm - 7 PM Karate Classes for youth. Held at the YMCA. Please contact us at the gym for more information at 415-765-9037.

Every Tuesday: 7 pm – 8 pm AA & NA Meetings in the Ship Shape Building **(the meeting schedule for Nov 6 is canceled due to Election Day)**. Both AA and NA meetings are held simultaneously from 7pm - 8pm (Sometimes 8:30) on Tuesdays at the Ship Shape. They are open to any and all recovering persons.

Every Thursday: 11:45am – 1 pm Walking Challenge (See Notice Below)
5:45pm– 7 pm Walking Challenge (Meet at the YMCA Gym)

Every Friday: 7 pm – 8 pm Family Fun Nights Bring the Family along to play games, movies or sporting activities every Friday night, lead by the Treasure Island YMCA Gym Staff.

November 1, 8, 15: 6:30—9:30 NERT Training. At the Ship Shape Building.

Nov. 3, 12 pm—3 pm Adult Dinghy Class adultsailing@tisailing.org or phone 415– 421-2225 .

Nov. 4, 12 pm Adult Keelboat Class adultsailing@tisailing.org or phone 415– 421-2225 .

Nov. 7 am - 7 pm ELECTION DAY at the Ship Shape Building.

Nov. 10, 12 pm Adult Dinghy Class adultsailing@tisailing.org or phone 415– 421-2225 .

Nov. 11, 12 pm Adult Keelboat Class adultsailing@tisailing.org or phone 415– 421-2225 .

Nov 14, 6:30 pm – 8:00 pm TIDA Board Meeting at the Casa de la Vista.

Nov. 17, 2 pm – 5 pm Treasure Island Harvest Celebration. You must reserve your spot (see enclosed flyer, or call 520-6653 by Nov. 10th). Attendance is free; please bring a dish to share.

Nov. 21, 6:30pm – 7:30pm Community Meeting. At the Ship Shape Building.

The YMCA is running two 2-mile walks every Thursday. The first beings at 11:45 a.m. and ends at approximately 1:00 p.m. The second is an evening walk, which begins at 5:45 p.m. and ends at approximately 7:00 p.m. Both start with a 15-minute warm-up session. Flashlights will be available for the evening walks to provide added safety after Daylight Savings Time ends.

November 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
See "Events" section on back for more details. • **Deadline for December calendar: 11/15** **E-mail: marianne.thompson@sfgov.org** • **You can get reminders for most events by joining www.treasureislandonline.net, and using the online calendar.**				**1** NERT Training 6:30 to 9:30 pm	**2** **Friday Fun Night** 7 pm to 8 pm	**3** **Adult Dinghy Class** 12 pm
4 **Adult Keelboat Class** 12 pm	**5** **Chicken Hooray!** 3 pm — 7:30 pm **Karate for Youth** 6 pm — 7 pm	**6** **ELECTION DAY!** 7 pm — 7pm	**7** **Karate for Youth** 6 pm — 7 pm	**8** NERT Training 6:30 to 9:30 pm **Walking Challenge** 11:45 am—1 pm **Walking Challenge** 5:45 pm—7 pm	**9** **Friday Fun Night** 7 pm to 8 pm	**10** **Adult Dinghy Class** 12 pm
11 **Adult Keelboat Class** 12 pm	**12** **Chicken Hooray!** 3 pm — 7:30 pm **Karate for Youth** 6 pm — 7 pm	**13** **AA/NA Meeting!** 7 pm — 8 pm	**14** **TIDA Meeting** 6:30 pm—8 pm **Karate for Youth** 6 pm — 7 pm	**15** NERT Training **Walking Challenge** 11:45 am—1 pm **Walking Challenge** 5:45 pm—7 pm	**16** **Friday Fun Night** 7 pm to 8 pm	**17**  **Harvest Celebration** 2 pm — 5 pm
18	**19** **Chicken Hooray!** 3 pm — 7:30 pm **Karate for Youth** 6 pm — 7 pm	**20** **AA/NA Meeting!** 7 pm — 8 pm	**21** **Community Meeting** 6:30 pm to 7:30 pm **Karate for Youth** 6 pm — 7 pm	**22** **Walking Challenge** 11:45 am—1 pm **Walking Challenge** 5:45 pm—7 pm	**23** **Friday Fun Night** 7 pm to 8 pm	**24**
25	**26** **Chicken Hooray!** 3 pm — 7:30 pm	**27** **AA/NA Meeting!** 7 pm — 8 pm	**28** **Karate for Youth** 6 pm — 7 pm	**29** **Walking Challenge** 11:45 am—1 pm	**30** **Friday Fun Night** 7 pm to 8 pm	

Important Numbers to Have

Emergency:	**Dial 911**
911 for Cell Phones:	**415-553-8090**
Non-Emergency Police Call	415-553-0123
Leasing Office	(415) 834-0211
• Maintenance	(415) 834-0211
• Emergency After Hours	(415) 445-2184
Comcast	(800) 266-2278
Good Neighbors (Community Group)	(415) 520-6653
Muni/511.Org	Dial 511
Neighborhood Watch	(415) 738-8773
SBC/ATT	(800) 310-2355
SFICA - Community Association	erapaport@aol.com
SF Unified School District	(415) 242-2600
San Francisco Supervisor Chris Daly	(415) 554-7970
Treasure Island Creative Network	(415) 274-0311 ext. 301
Treasure Island Development Authority	(415) 274-0660
Treasure Island Homeless Dev. Initiative	(415) 274-0311

Island Related Websites

www.sfgov.org/treasureisland	*(TI Development Authority)*
www.TIHDI.org	*(TI Homeless Dev. Initiative)*
www.TreasureIslandOnline.net	*(Community Resources/News)*
www.94130.com	*(Online community)*

Recreation

TI Sailing Center	www.tisailing.org	(415) 421-2225
Golden Gate Rugby	www.sfggrfc.com	(415) 335-3079
SF Stars Netball	www.starsnetball.com	(415) 259-8489
YMCA Gym		(415) 765-9037
Marina	www.treasure-isle.com	(415) 981-2416
Yacht Club	www.tiyc.org/	(415) 434 4475
SF Little League	www.sfll.org	(415) 263-0510

Youth

Kidango	www.kidango.org	(415) 834-0602
SF Boys & Girls Club	www.bgcsf.org	(415) 362-9037

Stores

Treasure Island Mini-Market 7 a.m. to 8 p.m., Saturday & Sunday 10 a.m. to 7 p.m.

Treasure Island Photo Booth Treasure Island front gate. Hours are variable.

Fresh Food

Chicken Hooray! The Chicken Hooray! Truck will serves fresh, hot chicken every Thursday in the Chapel Parking Lot. Please look for the red and silver checkered rotisserie truck. Hours of Operation: 3:00 PM to 7:30 PM

Restaurant

Crossroads Cafe by the Bay Treasure Island Marina parking lot, outside the Treasure Island front gate Hours of operation: Tuesday through Friday: 7 a.m. to 3 p.m., Saturday: 8 a.m. to 3 p.m *For to-go orders, please call (415) 362-5851 during regular business hours.*

Job Corps Advanced Culinary Academy Fine Dining Restaurant Job Corps - Building 368, 9th Street and Avenue C
Hours of operation: Tuesday through Thursday: 12 noon to 1 p.m. *Reservations required. Please call* ***(415) 277-2301***

Delivery to the Islands

SAFEWAY DELIVERY ==========>		**www.safeway.com**
Planet Organics	(800) 956-5855	www.planetorganics.com
Chinese Food Mae Lee	(415) 242-1006	
Gino's Pizza	(415) 922-0202	
Pizza Lover	(415) 437-9400	
Town Pizza	(415) 551-2524	
Island Cleaners	(415) 571-9741	

Mayor Gavin Newsom
Claudine Cheng, President, Treasure Island Development Authority
Mirian Saez, Director of Island Operations

Produced with the assistance of "Good Neighbors" -
A community group on TI/YBI

The San Francisco Public Library presents

On the Same Page

SAN FRANCISCO READS

NOVEMBER/DECEMBER 2007 SELECTION

Swing: A Mystery

by Rupert Holmes



Music and mystery go hand in hand in the latest novel multiple-award-winning playwright/musician/screenwriter/producer/novelist Rupert Holmes—the book comes with a CD of original music by Holmes which contains clues to the solution. The result, says *Publishers Weekly*, is a clever, original mystery that's pure fun to read, listen to, look at and puzzle out.

Holmes's *Where the Truth Lies* (2003) proved him to be an excellent period writer, a skill he demonstrates again with *Swing*, a tale of murder at the 1940 Golden Gate International Exposition—the West Coast answer to the New York World's Fair. Jazz musician Ray Sherwood is in San Francisco with his band when he meets a young composer, Gail Prentice, who needs him to orchestrate her award-winning musical composition, *Swing*, which will play at one of the fair's Treasure Island pavilions. Ray quickly falls for Grace and is soon deep into orchestrating her avant-garde composition. But after a woman plunges from the sky at the Court of the Moon plaza and lands at Ray's feet, he finds himself involved in a mystery that not only will produce more bodies but also threaten the stability of several governments.

On the Same Page: San Francisco Reads is a bimonthly book club. Each month, the Library will choose a book—with the help of your suggestions—with the intent of getting San Franciscans to read and discuss the same book. To help foster this dialogue, the Library holds special programs and events, such as book discussions and author readings. Check your branch or local bookstore for a copy of each month's selection. For *On the Same Page*, the Library has purchased the 2006 paperback edition of *Swing*, published by Random House. It is also available at the Library as an unabridged talking book in CD format.

You'll find more information on *Swing* and other *On the Same Page* selections at *www.sfpl.org/news/sanfranreads/sfreads.htm*.

San Francisco Public Library

1015-17

Main Library 100 Larkin St. (at Grove) (415) 557-4277 *www.sfpl.org*

Office of the Mayor
City & County of San Francisco

Gavin Newsom

October 4, 2007

Mirian Saez
Director of Island Operations
Treasure Island Development Authority
410 Avenue of Palms, Building 1
San Francisco, CA 94130

Dear Ms. Saez,

Pursuant to the Charter of the City and County of San Francisco, I am appointing Fred Blackwell, Executive Director of the San Francisco Redevelopment Agency, as a member of the Treasure Island Development Authority commencing October 4, 2007.

Should you have any questions about this appointment, please contact Wade Crowfoot in my office at 415-554-6640.

Sincerely,

Gavin Newsom
Mayor

1 Dr. Carlton B. Goodlett Place, Room 200, San Francisco, California 94102-4641
gavin.newsom@sfgov.org • (415) 554-6141

T I H D I

Treasure Island Homeless Development Initiative

October 5, 2007

Dear Director Saëz, Mirian

Thank you so very much for your support towards the Ninth Annual Treasure Island Community Day Festival. Your support contributed to our efforts to build a new San Francisco neighborhood that includes people from all socio economic backgrounds—both for today and for tomorrow.

It was a great day on the Great Lawn, with children of all ages enjoying everything from craft booths, to face painting & fun children activities, to a variety of music styles and delicious food. Spectacular views and great company rounded out this successful event. And your support for this effort was truly appreciated by us all.

Sincerely,

Thanks for helping us kick off the day + for all of your support throughout!

Sherry Williams
Executive Director

TIHDI is a non-profit organization. Your donation is tax deductible. TIHDI's federal tax ID # is 94-3280624.

410 Palm Ave., Bldg. 1, Room 166
San Francisco, CA 94130
415-274-0311
www.tihdi.org

Office of the Public Defender
City and County of San Francisco

Jeff Adachi
Public Defender
Teresa Caffese
Chief Attorney

October 11, 2007

Ms. Mirian Saez
Director of Island Operations
Treasure Island Development Authority
410 Avenue of Palms, Building 1, 2nd Floor
San Francisco, CA 94130

Dear Mirian,

I write to personally thank you for allowing the Public Defender's Office to utilize the Admiral's Conference Room for our management retreat on Friday, October 5, 2007.

Every year, the managers of the Public Defender's Office meet to discuss how best to improve office relations and to strategize for the upcoming year. What could have very well been a tedious task turned out to be a pleasant experience had by all due in large part to the fantastic staff and location.

Lori Mazzola did a great job of hosting our visit. We had a picnic in the park with great views of the city, and the beautiful surroundings helped us achieve our agenda. Overall, we had a wonderful time and would certainly consider using these facilities again in the future.

Sincerely,

Jeff Adachi
Public Defender

555 Seventh Street ▯ San Francisco, California 94103-4709 ▯ 415.553.1671 ▯ fax: 415.553.9810

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: On-Island City and County of San Francisco Departments
Treasure Island Administration Building tenants

From: Mirian Saez, Director of Island Operations

Date: October 15, 2007

Re: TechnoTrash Can and Battery Disposal Bin

TIDA and the SF Department of the Environment have placed a GreenDisk "TechnoTrash Can" and an Alkaline Battery Collection Bin in the vending machine room on the first floor lobby of the Treasure Island Administration Building.

As you may be aware, items such as batteries, computer equipment, CDs and floppy disks contain materials and elements which are harmful to the environment if simply thrown away in the regular garbage.

On the back of this memo is a flyer from the Department of the Environment outlining the variety of items which can be disposed of in the TechnoTrash can.

Please note the following items CANNOT be disposed of in the TechnoTrash can:

- Monitors, printers, workstations, large computer hardware.
- Any non-computer related item.
- Regular alkaline batteries – PLEASE USE BATTERY COLLECTION BIN
- Household appliances such as televisions, radios, kitchen appliances, stereo equipment.

TIDA strongly encourages the use of these receptacles by Administration Building tenants and on-Island Departments. Thank you for your participation. Should you have any further questions or if you notice that either can is full and requires emptying, please contact Peter Summerville of TIDA staff at (415) 274-0665.

RECYCLED PAPER

You can now recycle computer related items at the Treasure Island Administration Building

Look for the TechnoTrash located in the First Floor Lobby Vending Machine Room



You can recycle your unusable, broken and/or obsolete computer-related or electronic equipment such as:

- All forms of electronic media and their cases: diskettes, zip disks, CDs, CD-Rs, CD-RWs, DVDs et al, video tape, audio tape, game cartridges, DAT, DLT, Beta or Digibeta, and virtually all other type of computer tapes.
- Hard drives, Zip and Jazz drives, jump drives, etc.
- All types of cell phones, pagers, PDAs and their chargers, cables, and headset accessories
- All small computer accessories such as MP3 players, iPods, digital cameras, hand-held scanners, handheld games and other connected devices
- All of the cords, cables, boards, chips, etc. attached to or removed from a computer.

All electronically stored information is destroyed and the related materials are recycled

Please contact TIDA at (415) 274-0660 or Soko Made of SF DOE at 355-3772 for more information

SF Environment
Our home. Our city. Our planet.



Marianne Thompson/ADMSVC/SFGOV
11/08/2007 05:18 PM

To
cc
bcc
Subject Fw: On the Same Page

Marianne Mazzucco Thompson
Public Information Officer
410 Avenue of the Palms
Treasure Island
San Francisco, Ca. 94130
(415) 274-0662
(415) 559-9026 cell
http://www.sfgov.org/site/treasureisland_index.asp?id=287
----- Forwarded by Marianne Thompson/ADMSVC/SFGOV on 11/08/2007 05:20 PM -----



"Marcia Schneider" <mschneider@sfpl.info>
10/29/2007 04:00 PM

To "Marianne Thompson" <marianne.thompson@sfgov.org>
cc
Subject RE: On the Same Page

Newsletters and flyers are on their way to you via our city inter-departmental mail. FYI, here is the web copy which will appear shortly on our site.
All best, Marcia

November/December Pick

SELECTION

Swing: a Mystery by Rupert Holmes. Random House Trade Paperbacks, 2006

QUOTES

"A tour de force of style and erudition,... will delight mystery readers of any sort."
- Publishers Weekly

"This second mystery novel by a noted songwriter and playwright is set in 1940, at the height of the big-band era, and its protagonist is a talented but troubled saxophonist beginning an engagement at a swank hotel. The story moves jauntily, its set pieces staged with theatrical flair and its snappy dialogue recalling Ben Hecht's."
-The New Yorker

"Imaginative, smart and impressively elaborate, a sophisticated foray into musical mystery plotting. Holmes can turn a phrase as handily as he can encrypt clues."
-New York Times

DESCRIPTION

Journey back to the 1940 World's Fair by San Francisco Bay, where jazz musician, Ray Sherwood, is appearing with Jack Donovan and His Orchestra

at the baronial Claremont Hotel.

An exciting historical thriller of great local interest, Swing begins with Ray on his way to meet Gail, a college student, at Treasure Island, the extravagant San Francisco exposition that rivals the New York World's Fair of the same year. While waiting for Gail, Ray encounters a mysterious Frenchwoman who, shortly after propositioning him, plunges to her death from the Fair's tallest tower. Ray is immediately drawn into a complex and seductive mystery that will require all his nerve and improvisational ingenuity.

Brilliantly written, skillfully evoking the Big Band era and the lost world of Treasure Island, Swing is a unique and dazzling treat by a great storyteller.

For On the Same Page, the Library has purchased the 2006 trade paperback edition of Swing: a Mystery, published by Random House. It is also available at the Library as an unabridged talking book in CD format.

ABOUT THE AUTHOR#

Twice a recipient of the Mystery Writers of America's coveted Edgar Award, Rupert Holmes is no stranger to the worlds of mystery or music. His first novel, Where The Truth Lies, has been made into a major motion picture by director Atom Egoyan. Holmes also created and wrote all four seasons of the critically acclaimed, Emmy Award-winning television series, Remember WENN, set in 1940.

For his Broadway musical, The Mystery of Edwin Drood, Holmes became the first person in theatrical history to solely win Tony Awards for Best Book and Best Music and Lyrics, while Drood itself won the Tony Award for Best Musical. His comedy-thrillers for the stage include Broadway's Accomplice and Solitary Confinement. Holmes wrote the book for the musical, Marty, based on the film written by Paddy Chayefsky. The musical broke box office records in Boston.

Holmes' play about George Burns and Gracie Allen, Say Goodnight, Gracie, garnered the 2004 National Broadway Theatre Award and a Tony nomination for Best Play. Holmes also won the Drama Desk Award for "Outstanding Book of a Musical," for the Kander and Ebb production, Curtains, currently on Broadway starring David Hyde Pierce (who won a Tony for his performance).

Swing's musical milieu is a reflection of another part of Holmes' career: He received a Drama Desk Award for Best Orchestration and arranged and conducted Barbra Streisand's classic album Lazy Afternoon. Holmes' songs have been sung by such diverse artists as The Partridge Family, Judy Collins, Dionne Warwick, Barry Manilow, Patti LuPone and Britney Spears. The Los Angeles Times has called Rupert Holmes "an American treasure."

OF RELATED INTEREST

From the Library's San Francisco Historical Photograph Collection, view images of the Golden Gate International Exposition on Treasure Island: http://sflib1.sfpl.org:82/search/d?SEARCH=Fairs+G.G.I.E.

Rupert Holmes' home page:
http://www.rupertholmes.com/

About the 1940 World's Fair on Treasure Island:
http://www.sfmuseum.org/hist6/40fair.html

Wikipedia entry on Big Band music:
http://en.wikipedia.org/wiki/Big_band

Marcia Schneider
Chief of Communications, Collections & Adult Services
San Francisco Public Library
100 Larkin Street
San Francisco, CA 94102
415 557-4252
415 557-4281 fax

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-4603

HEATHER J. FONG
CHIEF OF POLICE

November 8, 2007

Ms. Mirian Saez
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics – October 2007

Dear Ms. Saez:

There were twenty-three incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of October 2007. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Daniel.McDonagh@sfgov.org if you have any questions.

Sincerely,

Daniel McDonagh
Captain – Southern Station

By: _____
Officer Louis Glaser
Southern Station
(415) 553-7959

ATTACHMENT A

OCC. DATE	REP. DATE	LOCATION	TYPE	COMMENTS	CASE NUMBER
9/17-10/3/07	10/4/07	1200 blk Bayside Dr	Burglary/Residence	POI Livingroom sliding door	070955742
10/5/07	10/5/07	1100 blk Keppler Ct	Burglary/Apartment	POI back window	070024275
10/7/07	10/7/07	1400 blk Flounder Ct	Stay Away order violation	suspect known	071028685
10/9/07	10/9/07	1200 blk Northpoint Dr	Burglary/Apartment	POI rear window	071037557
10/10/07	10/10/07	Address withheld	Mental health Detention		071039387
10/10/07	10/10/07	200 blk California	Aided Case		071039393
9/29-10/1/07	10/10/07	1200 blk Northpoint Dr	Credit Card Fraud	Suspect Known	071041213
10/12/07	10/12/07	200 blk Avenue B	Firearm discharging at Building	Suspect unknown	071046724
8/1/07	10/10/07	Unknown	False Personation	Suspect unknown	071041166
10/14-10/15	10/15/07	1200 blk Gateview Ct	Battery, former spouse		071058343
10/16/07	10/16/07	Address withheld	Assault, Aggravated, DV	one booked	071063110
10/17/07	10/17/07	1300 blk Westside Dr.	Theft, other property		071063609
10/17/07	10/17/07	Vista Point T.I.	Recovered Vehicle		071063621
10/18/07	10/18/07	1200 blk Northpoint Dr	Stay Away order violation	Suspect Known	070675859
10/20/07	10/20/07	1200 blk Bayside Dr	Warrant Arrest Local	one booked	070266492
10/21/07	10/21/07	1200 blk Bayside Dr	Burglary, Hot Prowl	Rear sliding door	071080186
10/21/07	10/21/07	Address withheld	Mental health Detention		071079844
10/21/07	10/21/07	1200 blk Bayside Dr	Warrant Arrest Local	one booked	071081300
10/21/07	10/21/07	1200 blk Bayside Dr	Recovered Vehicle		071079383
10/22/07	10/22/07	Address withheld	Battery, spouse/DV	one booked	071085352
10/23/07	10/23/07	1200 blk Bayside Dr	Burglary/Apartment	POI rear window	071089031
10/25/07	10/25/07	600 blk H St.	Theft, from building	suspect known	071117397
10/29/07	10/30/07	1100 blk Reeves Ct.	Missing Juvenile		071111888

Part 1 Crimes October, 2007

Assult 3	Robbery	Homicide	Arson	
Burglary 5	Sex Offenses	Vehicle Theft	Larceny 2	Total 10

AGENDA ITEM #8B
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 14, 2007

Subject: Resolution Authorizing a Fifth Amendment to the Contract with Seifel Consulting Inc. to Revise the Scope of Services, Increase the Budget from $129,600 to a Total Not-to-Exceed Amount of $297,460 and Retroactively Extend the Term for an Additional 24 Months from July 1, 2007 through June 30, 2009 (Action Item)

Contact: Michael Tymoff, Mayor's Office of Base Reuse and Development

BACKGROUND

On August 14, 2002, the Authority awarded a contract to Seifel Consulting (the "Contract") to complete a redevelopment plan for Treasure Island for the not-to-exceed amount of $129,600. Seifel Consulting has completed several components of the scope of work in the Contract, including preparation of a Preliminary Plan and a Preliminary Report, under prior versions of the Development Plan. The Authority has approved four amendments to the Contract amending the term, most recently extending the term through June 30, 2007 at the July 26, 2006 Board of Directors meeting.

During Fall 2003 it was determined that the preparation of the Redevelopment Plan and related documents should be closely integrated with the land use planning process. Consequently, the Authority Board was notified that work on the Redevelopment Plan would be delayed until after the Development Plan and Term Sheet ("Development Plan") was endorsed, which occurred in December 2006. Since then, staff has been working on a number of fronts to advance the redevelopment and long term planning efforts, including continuing negotiations with the prospective master developer, and initiating CEQA review. Staff now needs to re-engage the services of Seifel Consulting to complete the redevelopment planning process on a parallel track with the certification of the Environmental Impact Report and final Disposition and Development Agreement, expected to be completed in early 2009.

DISCUSSION

The proposed revised scope of services, budget increase and contract extension will allow staff to work with Seifel Consulting over the next 18 months to complete the preparation and adoption of a Redevelopment Plan. Additional scope is necessary for four primary reasons:

1. The Development Plan has evolved from the 1996 Reuse Plan, which was the basis of the redevelopment adoption process.
2. The proposed expansion of the Project Area boundary.

3. Recent legislative changes to the California Redevelopment Law ("CRL") that have increased procedural and reporting requirements.
4. The need to reinitiate steps previously completed due to passage of time (i.e. establishing base year for tax increment projections).

The revised scope of services builds upon the work completed to date for the Authority under the Contract and will use to the extent feasible all relevant information from past studies and reports.

SCOPE OF SERVICES SUMMARY

Task 1: Preliminary Report

- Update Physical and Economic Blight Analysis
- Update of County Fiscal Officer's Report
- Update Projects and Activities
- Update Maps and Exhibits
- Update Methods of Financing Analysis
- Update Financial Feasibility Analysis
- Preparation of Final Draft and Final Report

Additional scope items required beyond the current scope:

- Document existing conditions of the residential buildings that were not documented in 2003 because they were not included in the proposed Project Area boundary at the time.
- Reassess existing conditions since five years have passed.
- Describe and reevaluate feasibility of redevelopment projects and activities
- Reevaluate tax increment projections

Task 2: Legal Documents

- Prepare Amended Preliminary Plan
- Prepare Redevelopment Plan
- Prepare Other Legal Documents

Additional scope items required beyond the current scope:

- Amend Preliminary Plan to incorporate the proposed expansion of the Project Area boundaries
- Prepare Redevelopment Plan to reflect redevelopment activities currently proposed compared to those envisioned in 2002.

Task 3: Report on the Redevelopment Plan

The scope for Task 3 remains largely consistent with the original scope; however, because the proposed Project Area now includes occupied residential units, the Relocation Plan and the Neighborhood Impact Analysis will need to be more detailed.

- Update Preliminary Report Analysis
- Prepare Implementation Plan
- Prepare Relocation Plan Neighborhood Impact Report

- Prepare Draft and Final Report on Redevelopment Plan

Task 4: Meetings

The revised scope of services includes an appropriate number of meetings, including briefings to the Authority Board of Directors, Board of Supervisors, Planning Commission, and the Citizens Advisory Board, as well as an appropriate number to consult with staff.

- (4) Authority, Planning Commission and Board of Supervisors hearings
- (2) Citizens Advisory Board meetings
- (20) Staff Meetings

Task 5: General Consultation and Management

The revised scope of services reflects the new legal requirements imposed by SB 1206 and the expectation that the plan adoption process will require ongoing legal review and general consultation.

- Schedule Management
- SB 1206 County Fiscal Officer's Report
- SB 1206 California Department of Finance and Department of Housing and Community Development Reports
- 33328.5 Documentation
- General Consultation Services

Additional scope items required beyond the current scope:

- SB 1206 requires additional tasks related to the County Fiscal Officer's Report and additional documentation for DOF and HCD
- 33328.5 Documentation was previously completed by the city and not included in the original scope of work.

BUDGET AND TERM

The additional scope of services will require additional budget, increasing the not-to-exceed amount of the amended contract to $297,460 (See Exhibit B: Calculation of Charges, for Summary Amended Budget). The contract amendment would also retroactively extend the term of the contract for an additional 24 Months, from July 1, 2007 through June 30, 2009. This term is consistent with the anticipated timeframe for project environmental review, plus some cushion.

Sufficient funds were included in the Authority's FY 07-08 budget for this Contract Amendment and 100 percent of the costs will be reimbursed by TICD under the terms of the Exclusive Negotiating Agreement between the Authority and TICD.

The Fifth Amendment also updates the billing rates for the Contract from those approved under the Fourth Amendment, based on 2008 rates. Any future amendment to the billing rates, scope of work or the amount of the Contract will be subject to the approval of the Authority Board.

RECOMMENDATION

Staff recommends approval of the Fifth Amendment including the revised scope of services, the budget increase to a total not-to-exceed amount of $297,460 and the contract extension through June 30, 2009.

EXHIBITS

A Services to be Provided by Contractor
B Calculation of Charges
C Fifth Amendment to Contract with Seifel Consulting Inc.

Prepared by Michael Tymoff

FILE NO. _____ RESOLUTION NO. _____

[Amending the Contract with Seifel Consulting to Increase Budget, Extend Term and Revise Scope of Services]

AUTHORIZING A FIFTH AMENDMENT TO THE CONTRACT WITH SEIFEL CONSULTING INC. TO REVISE THE SCOPE OF SERVICES, INCREASE THE BUDGET FROM $129,600 TO A TOTAL NOT-TO-EXCEED AMOUNT OF $297,460, AND RETROACTIVELY EXTEND THE TERM FOR AN ADDITIONAL 24 MONTHS FROM JULY 1, 2007 THROUGH JUNE 30, 2009.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code, and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and,

(ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the power to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The Authority issued a Request for Proposals ("RFP") for consultant services to assist the Authority in the preparation of an Economic Development Conveyance (EDC) Application and the creation and adoption of a redevelopment plan for former Naval Station Treasure Island on July 15, 1998; and,

WHEREAS, Seifel Consulting Inc. responded to the RFP as a member of the Sedway Group team to provide redevelopment consulting services; and,

WHEREAS, The Authority authorized the Executive Director to execute a contract with the Sedway team because Sedway was the highest ranked respondent to the RFP; and,

WHEREAS, The EDC Application was completed as specified in the Sedway contract, but the scope of work to complete the Redevelopment Plan was initially delayed due to delays in the Navy's environmental review process; and,

WHEREAS, The Authority authorized the Executive Director to execute a contract with Seifel Consulting (the "Sedway Contract") to complete the redevelopment planning process for an amount not-to-exceed $129,600 on August 14, 2002; and,

WHEREAS, The Authority approved First, Second, Third and Fourth Amendments to the Seifel Contract extending the term; and,

WHEREAS, Due to the need to coordinate the redevelopment planning process with the land planning process, the redevelopment planning process was further delayed pending presentation of the Development Plan and Term Sheet for the

Redevelopment of Naval Station Treasure Island (the "Development Plan") to the TI/YBI Citizens Advisory Board, the Authority Board and the Board of Supervisors; and,

WHEREAS, The TI/YBI Citizens Advisory Board, the Authority Board and the Board of Supervisors each endorsed the Development Plan in late 2006; and,

WHEREAS, The term of the Seifel Contract expired on June 30, 2007, and the Authority wishes to enter into a Fifth Amendment to the Seifel Contract to retroactively extend the contract for an additional twenty-four (24) months from July 1, 2007 through June 30, 2009 to continue the redevelopment planning process on a parallel track with the preparation and certification of the Environmental Impact Report and the negotiation of the Disposition and Development Agreement; and,

WHEREAS, Due to a number of issues that have emerged since the Seifel Contract was executed in 2002, including, but not limited to, legislative changes to the procedural requirements for redevelopment plan adoption, the proposed expansion of the Project Area boundary, and the increased complexity and specificity of the Development Plan over the 1996 Reuse Plan, the Fifth Amendment also amends the scope of the services to be provided under the Seifel Contract and increases the not-to-exceed amount of the Seifel Contract from $129,600 to $297,460; now therefore be it

RESOLVED, That the Authority hereby approves and authorizes the Director of Island Operations to execute the Fifth Amendment to the Seifel Contract in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit

corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 14, 2007.

_____

Owen Stephens, Secretary

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EXHIBIT A

TREASURE ISLAND REDEVELOPMENT PLAN ADOPTION

Services to be Provided by Contractor
Seifel Consulting Inc.

SCOPE OF SERVICES

Overview

This revised scope of services describes the work that Seifel Consulting Inc. (SCI) will perform for the Treasure Island Development Authority (Authority) through the Mayor's Office of Base Reuse and Development (MOBRAD). The revised scope builds upon SCI's work to date for the Authority under prior versions of the contract, and will use to the extent feasible all relevant information from past studies and reports.

During Fall 2003 it was determined that the preparation of the redevelopment plan and related documents should be closely integrated with the land use planning and environmental review process. Consequently, work on the redevelopment plan was delayed. Now that the Development Plan and Term Sheet (Development Plan) have been endorsed, and the CEQA process has begun, it is important to re-engage in the redevelopment planning process and to align those efforts with the schedule for CEQA review and development of the Disposition and Development Agreement.

This revised scope of services is designed to facilitate the redevelopment plan adoption for the proposed Treasure Island Redevelopment Project Area (Project Area) in accordance with the provisions of the California Community Redevelopment Law (CRL) relating to closed military bases (Section 33492) and not the standard CRL plan adoption process. The CRL authorizes the establishment of a redevelopment project area located within the boundaries of a military base that has been closed pursuant to the actions of the federal Defense Base Closure and Realignment Commission.

The redevelopment plan adoption process is prescribed by the CRL. If any of the mandatory steps in the plan formulation, review, and/or adoption process is overlooked or not completed in compliance with the applicable State statutes, the legality of the plan could be jeopardized, making it susceptible to potential legal challenge(s). Since this could delay implementation of the plan and the timely allocation of tax increment revenues to the Authority, it is essential that SCI coordinate each step of the plan adoption process with an attorney experienced in military base redevelopment projects. SCI has therefore retained McDonough Holland & Allen (MH&A), redevelopment attorneys who have worked with SCI on the successful adoption of a redevelopment plan for the Alameda Naval Air Station and on numerous other plan adoption and amendments, to assist with the redevelopment plan adoption for the Treasure Island Project Area. SCI will also have access to financial advisory services retained by the Authority through the Mayor's Office of Public Finance.

Since the redevelopment planning process was last pursued, the CRL has been amended and the current development plans assume a larger redevelopment project area. Therefore, this scope of services includes additional items under tasks 2 and 5 that are necessary to address these changes. SB 1206 (Chapter 595, Statutes of 2006), effective January 2007, amended the CRL to change the definitions of blight and urbanization and to add significant procedural requirements for plan adoptions. As a former military base governed by Section 33492 of the CRL, SB 1206 provisions related to blight and urbanization are unlikely to apply to the Treasure Island Redevelopment Plan Adoption. However, additional procedural requirements will apply. In addition, as a result of the proposed expansion of the Project Area boundaries,

some previously produced plan adoption documents will have to be revised and additional procedural requirements may apply.

In recognition of these considerations, the following scope of services describes the work to be performed and documents to be prepared for the Authority, with SCI serving as the prime contractor. The budget set forth in Exhibit B contains cost estimates for each of the tasks outlined in this scope of services. Fees for each task will be billed on a time and materials basis and shall not exceed the total budget estimate, without prior approval by the Authority.

TASK DESCRIPTIONS

Task 1: Update Preliminary Report

Blight Analysis

SCI will update and augment the documentation of blight submitted to the Authority in August 2003, using the definitions contained in Section 33492.11 of the CRL for military base redevelopment projects and reflecting the proposed expansion of the Project Area per current development plans. The proposed Project Area would contain additional areas on both Treasure Island and Yerba Buena Island. Chapter 4.5 of the CRL provides that a project area that is a former military base can use Section 33492.11 instead of Section 33031 to define blight. Section 33492.11 permits a broader range of blight findings, and changes the definitions of "blighted area" and "physical conditions that cause blight" applicable to closed military bases, generally resulting in most base closures qualifying as being blighted. The update of the blight analysis is anticipated to include the following tasks: 1) review of photographic documentation included in the August 2003 Preliminary Report, and update to reflect current conditions and the proposed expanded Project Area, as appropriate; 2) incorporate any additional existing written documentation provided by MOBRAD staff regarding blighting conditions in the expanded area; 3) incorporate MOBRAD staff comments to August 2003 version, as appropriate. The blight analysis will be based on a review and analysis of data prepared during the original reuse planning process, as well as any supplementary data provided by MOBRAD and/or the prospective master developer, Treasure Island Community Development (TICD). Significant independent documentation of blight is not anticipated as part of this task and would be billed as additional services, if determined by MOBRAD staff to be required as part of this task.

Preparation of County Fiscal Officer's Report

SCI will work with the City and the San Francisco County Auditor-Controller's office to obtain an updated County Fiscal Officer's Report for an estimated FY 2008/09 base year (Section 33328 Report prepared based on the documents provided pursuant to Section 33327.) The County Fiscal Officer's Report establishes the base assessed value of the Project Area and the proportionate distribution of tax increment pass-through payments to the affected taxing entities. The redevelopment plan adoption for Treasure Island is anticipated to occur within an 18 month time frame, so the base year for the plan would be established by the County Auditor-Controller as FY 2008/09. Since the current fiscal year is now FY 2007/08, this will require the County Auditor to estimate the base year assessed value for FY 2008/09. SCI will rely on MOBRAD staff to assist in obtaining this report from the County Auditor-Controller's office. (Refer to Task 5 for additional work tasks related to SB 1206 requirements and potential additional requirements for the County Fiscal Officer's Report.)

Proposed Projects and Activities

SCI will review and update the proposed redevelopment program and activities submitted to the Authority in August 2003. The update will be based on the Development Plan endorsed by the Board of Supervisors and will contain all relevant redevelopment related activities and costs. Where relevant, the program descriptions will be modified and summary tables containing cost estimates to the Authority will be updated to FY 2008/09 dollars, consistent with the base year for the tax increment projections.

Financial Feasibility Analysis

SCI will update its multi-year financial model for the Project Area to modify the base year to FY 2008/09, discounting to FY 2008/09 dollars, as well as to reflect revised development assumptions based on the proposed master development concept. (Alternatively, if directed by MOBRAD staff, SCI will review and analyze the tax increment projections prepared by TICD and use these projections instead.) SCI will update the potential sources and uses of funds for implementation based on the revised estimates. MOBRAD staff and SCI will jointly develop the updated schedule of future development and any phasing of implementation activities. The feasibility analysis will form the basis for the Method of Financing section of the Report to the Board of Supervisors on the Redevelopment Plan ("Report on the Redevelopment Plan"), discussed below, and will include tax increment projections.

Update Exhibits

As necessary, SCI will update photographic documentation and exhibits illustrating blighting conditions in the expanded Project Area and will utilize information prepared by the Authority, MOBRAD, and TICD as available. This proposal assumes that MOBRAD will provide updated base maps and a legal description to reflect the proposed expanded Project Area boundary.

Preparation of Draft and Final Preliminary Report

SCI will update the Preliminary Report, as required by CRL, in conjunction with MOBRAD, City and redevelopment attorneys, organized as follows:

I. INTRODUCTION
Provides background information, legal requirements and summarizes the reasons for selecting the Project Area boundaries.

II. EXISTING CONDITIONS
Documents existing conditions contributing to blight in the Project Area, pursuant to the blight definitions contained in the CRL.

III. REDEVELOPMENT PROGRAM DESCRIPTION
Describes the specific Redevelopment Project activities in the Project Area and demonstrates how they would alleviate the blighting conditions in the Project Area.

IV. PROPOSED METHODS OF FINANCING AND FEASIBILITY
Analyzes potential financial resources and/or mechanisms available to the Authority; provides tax increment projections and evaluates tax increment as a principal project funding mechanism; assesses feasibility of the Redevelopment Project; and explains why blight cannot be eliminated without assistance from redevelopment.

Task 2: Legal Documents

The current development plans assume expanded boundaries for the Treasure Island Redevelopment Project Area as compared to prior versions of the Redevelopment Plan documents. Therefore, a new legal

description and Project Area boundary map must be prepared and the Preliminary Plan must be amended to reflect this change.

Preparation of Revised Boundary Map and Legal Description

MOBRAD and the City Attorney's Office will provide an accurate legal description of the Project Area boundary clearly identifying the properties within the Project Area in accordance with State Board of Equalization guidelines. MOBRAD will be responsible for producing a computer-generated boundary map, in GIS format. SCI will use base maps provided by MOBRAD to update diagrams and exhibits to be included in documents leading to the adoption of the Redevelopment Plan.

Preparation of Amended Preliminary Plan

SCI will work with MOBRAD staff and the City Attorney's Office to update and prepare the Amended Preliminary Plan based on the current boundary and proposed redevelopment activities.

Updated Redevelopment Plan

SCI and MH&A will work with the City Attorney's Office and MOBRAD to refine the Draft and Final Redevelopment Plan. SCI will follow essentially the same process in preparing the Redevelopment Plan that was used in preparing the Preliminary Plan, including updated elements such as the list of proposed land uses and public improvement projects.

Noticing and Other Legal Documents

The City Attorney's Office and MOBRAD staff will handle all noticing of meetings and hearings related to the plan adoption. SCI will work with the City Attorney's Office to draft the Owner Participation Rules and any other legal documents required for plan adoption.

Task 3: Report on the Redevelopment Plan

The Report to the Board of Supervisors on the Redevelopment Plan incorporates the Preliminary Report, updated as necessary, as its first four chapters, and includes additional chapters which provide analysis of the Authority's initial plans for implementation of the Project and document required procedural steps for the adoption of the Redevelopment Plan taken by the Authority. This budget estimate assumes that initiation of the Draft Report on the Redevelopment Plan will commence no later than six months after distribution of the Final Preliminary Report. If preparation commences later than six months after distribution of the Preliminary Report, additional updated analysis may be required for the Report on the Redevelopment Plan, which has not been budgeted as part of this scope of services.

Update Preliminary Report Analysis

SCI will update findings and analysis contained in the Preliminary Report based on new information, refined analyses, and any other considerations that would contribute to a legally defensible, comprehensive, and accurate Report on the Redevelopment Plan. The areas most likely to be updated would include, but are not limited to, the blight findings, development forecasts, proposed projects and activities, and tax increment projections.

Implementation Plan

SCI will prepare the Five Year Implementation Plan, required by the CRL, as part of the Report on the Redevelopment Plan. The Implementation Plan must demonstrate how the Authority's proposed goals,

objectives, programs, activities, and expenditures will help to eliminate blight in the Project Area in the first five years of the Project. The Implementation Plan consists of non-housing and housing components.

Non-Housing Component

SCI will assist MOBRAD staff in preparing the following materials required for adoption of the non-housing component of the Implementation Plan:

- Summarize blighting conditions in the Project Area and develop priorities to address these conditions.
- Project available revenue for the first five years, including tax increment funds, program income, Federal and State funds, and other financial resources.
- Based on the projected financial resources, refine the list of redevelopment activities to be accomplished over the first five years and describe how they will alleviate blight.

Housing Component

The Implementation Plan must also contain a housing component (Housing Production Plan) that specifically describes how the goals, objectives, projects and expenditures will implement low and moderate income housing programs. The housing section of the plan must contain:

- Estimates of deposits to the Housing Set-Aside Fund during the next five years.
- Estimates of the number of units to be assisted from the Housing Set-Aside Fund during the next five years. (SCI will prepare template Excel worksheets for MOBRAD staff to complete with this information.)
- Estimates of the number of units, which will be newly constructed, substantially rehabilitated, price-restricted, assisted, removed or destroyed by the Authority and others over the life of the Redevelopment Plan and the next ten years. (SCI will prepare template Excel worksheets for MOBRAD staff to complete with this information.)
- Estimates of the number of units to be produced in the Project Area, the affordable housing production obligation, and the Authority's plan to meet this obligation.
- Description of how the Housing Program will meet expenditure requirements pursuant to the current CRL.
- Proposed locations for required replacement housing, if planned project(s) will remove existing affordable housing.

Preparation of Draft and Final Report

SCI will prepare the Report on the Redevelopment Plan in accordance with Section 33352 of the CRL, organized as follows:

I. INTRODUCTION
Adapted from Preliminary Report as updated.

II. EXISTING CONDITIONS
Adapted from Preliminary Report as updated.

III. REDEVELOPMENT PROGRAM DESCRIPTION
Adapted from Preliminary Report as updated.

IV. PROPOSED METHODS OF FINANCING AND FEASIBILITY
Adapted from Preliminary Report as updated.

V. IMPLEMENTATION PLAN

An Implementation Plan which includes the specific goals and objectives of the plan, specific projects, a description of how these projects will alleviate the blighting conditions, and expenditures the Authority intends to make for both non-housing and housing activities during the coming five year period.

VI. **RELOCATION PLAN**
Method of relocation, based on existing City policy.

VII. **ANALYSIS OF PRELIMINARY PLAN**
Analysis of the Preliminary Plan and compliance with CRL.

VIII. **PLANNING COMMISSION ACTIONS**
Report and recommendations from Planning Commission and other public review information.

IX. **SUMMARY OF PUBLIC REVIEW OF THE PROPOSED PLAN**
Description of the public participation process performed during the Redevelopment Plan adoption process, in particular, the meetings and participation of the Citizens Advisory Board.

X. **ENVIRONMENTAL REVIEW**
Summary of the environmental review process performed for the redevelopment plan adoption and consistency with the CRL.

XI. **REPORT OF COUNTY FISCAL OFFICER**
Description of the San Francisco County Controller's Report (Section 33328 Report).

XII. **SUMMARY OF CONSULTATIONS WITH TAXING ENTITIES**
Summary of the Authority's consultations with affected taxing entities regarding fiscal impact.

XIII. **NEIGHBORHOOD IMPACT REPORT**
Neighborhood impact report, based on the environmental review, specifically the proposed Redevelopment Projects impacts on low and moderate income housing and households.

Task 4: Meetings

Authority, Planning Commission and Board of Supervisors Briefings (max. 4 @ 4 hrs. per mtg.)

SCI will be available to participate in, in conjunction with MOBRAD staff, up to 4 briefings to the Authority Board, Planning Commission, and/or the Board of Supervisors regarding the redevelopment plan. These briefings will occur in relation to the distribution of the Preliminary Report (1 briefing), the Joint Public Hearing on the Redevelopment Plan (1 briefing), and the Board of Supervisors committee and public hearing process (1-2 briefings).

Community Meetings (max. 2 @ 4 hrs. per mtg.)

SCI will attend up to 2 Citizens Advisory Board (CAB) community meetings, as requested by MOBRAD staff. The meetings would occur during the preparation of the Preliminary Report and the Report on the Redevelopment Plan.

Staff Meetings (approx. 20 mtgs. @ 3 hrs. ea.)

SCI will be available to participate in meetings and/or conference calls with MOBRAD staff, assumed at 1-2 meetings/call per month for 18 months.

Task 5: General Consultation and Management

SCI will coordinate the activities of all project team members and be responsible for delivery of all work products. SCI will prepare, and update as necessary, a summary schedule of required actions, as well as a more detailed schedule reflecting the key requirements under the CRL as amended by SB 1206. SCI will also manage and monitor, in conjunction with MH&A, the additional plan adoption requirements related to both SB 1206 and the expanded Project Area.

SB 1206 Compliance

As discussed above, changes made to the CRL during the 2006 legislative session will impact the redevelopment plan adoption process for the Project Area. Specifically, SB 1206 expanded the requirements for the County Fiscal Officer's Report and requires that counties and school districts prepare new reports and information. SCI will work with MH&A and the City Attorney's Office to determine which of the new requirements apply to redevelopment plans adopted upon military base closure, and work with MOBRAD staff, County Auditor/Controller and other taxing entities to comply with CRL reporting requirements and procedures.

County Fiscal Officer's Report

SCI will work with staff and the San Francisco County Auditor/Controller office to prepare and review the County Fiscal Officer's Report (the Section 33328 Report prepared based on the documents provided pursuant to Section 33327). SCI will ensure that the County Fiscal Officer's Report meets the additional requirements imposed on it by SB 1206.

Additional Reports and Information

SB 1206 requires that counties and school districts prepare reports and projections and submit them to the California Department of Finance (DOF), Department of Housing and Community Development (HCD) and the Attorney General. These requirements are structured in a way that they are likely to present challenges to those attempting to comply with them. In collaboration with the City Attorney's Office, SCI will clarify reporting requirements, establish a plan and schedule for meeting the requirements, and, as necessary, prepare the required reports on behalf of the affected entities.

Project Area Expansion Issues

Additional requirements related to the proposed expansion of the Project Area boundaries need to be explored. SCI will work with MH&A and the City Attorney's Office to determine which requirements apply and how best to address them. These include but are not limited to:

- Additional documentation pursuant to Section 33328.5 related to the changed base year for the County Fiscal Officer's report. A County Fiscal Officer's report was previously requested for both FY 99/00 and FY 03/04, but for a smaller proposed Project Area.
- The formation of a Project Area Committee (PAC) may be required now that the proposed Project Area includes residential areas. The formation and operation of a PAC will add several steps to the plan adoption process and may affect the plan adoption timeline. This scope does not include services related to the formation and operation of a PAC, except that SCI and MH&A will work with the City Attorney's Office and MOBRAD to determine if a PAC is necessary. If a PAC is required, SCI and MH&A will request a contract amendment to fund services such as advice on the PAC composition, organization, recruitment of members, PAC election, and process to meet the requirements of CRL.

Additional Consultation and Management Tasks

As directed by MOBRAD staff, SCI is available to provide general consultation services on an as needed basis, billed as additional services on a time and materials basis, which may include, but are not limited to, the following services:

- Coordinate/review other plan amendment related documents as prepared by MOBRAD staff, environmental consultants and/or the redevelopment attorneys.

- Attend additional public meetings and hearings for information presentation purposes. Meetings may include the Authority, Board of Supervisors, Planning Commission, community forums, and consultations with affected taxing agencies.
- Prepare fiscal/financial analyses beyond the levels required in preparing the Preliminary Report and the Report on the Redevelopment Plan.
- Attend meetings with taxing entities.
- Prepare responses to written comments received at the joint public hearing.
- Prepare more than one draft of the documents described under Work Products, or redraft documents after MOBRAD staff and legal counsel approval of the final draft.
- Provide other advice and assistance regarding the Redevelopment Plan activities as necessary.
- Provide additional community outreach services, or attend meetings.

Work performed under this task will be billed on a time and materials basis according to the attached schedule of fees.

Work Products

Two types of work products will be provided by the consultant: administrative drafts and final reports. Administrative drafts will be prepared for use by MOBRAD staff, redevelopment legal counsel and other interested parties. One administrative draft and one final version of the report will be provided for each of the following documents:

1. Preliminary Report
   Draft- PDF format
   Final- PDF format and 35 bound copies for distribution.
2. Report on the Redevelopment Plan
   Draft- PDF format
   Final- PDF format and 35 bound copies for distribution.
3. Implementation Plan (included as Chapter V of the Report on the Redevelopment Plan)
   Draft- PDF format
   Final- PDF format and 35 bound copies for distribution.

SCI understands that SCI will need to incorporate periodic reviews by staff and legal counsel, and that the prime contractor is expected to review all work products and administer contracts and invoicing for all subcontracting consultants. While incorporating staff and legal review of the Preliminary Report and the Report on the Redevelopment Plan, SCI reserves the right of final review of these documents. SCI cannot be held responsible for documents that are altered subsequent to delivery of the final version.

ROLE OF MOBRAD STAFF

The Authority has delegated responsibility for redevelopment planning on Treasure Island to the Mayor's Office of Base Reuse and Development (MOBRAD). SCI recognizes that MOBRAD staff time is very valuable. As a result every effort has been made to avoid any significant reliance on MOBRAD staff for work associated with the redevelopment plan adoption. However, this budget estimate is contingent upon staff cooperation and responsibility in the following areas:

- Timely provision of all available reports, documents, studies, plans, and other information relevant to the documentation of existing conditions and the expeditious conduct of the redevelopment plan adoption process.

- Coordination with other City/County departments on the provision of relevant data as described above.
- Scheduling and conducting staff team meetings with consultant, including kick-off meeting, regular team meetings, and conference calls.
- Scheduling and conducting meetings to ensure community participation in the redevelopment plan adoption process at a level consistent with the requirements of the CRL. SCI will rely on MOBRAD staff to facilitate with the Citizen's Advisory Board and to prepare a summary of meetings and consultations with the community for incorporation into the Report on the Redevelopment Plan.
- Full responsibility for mailing and notifications to property owners, businesses, and residents, including related mailing costs.
- Identification and notification of all affected taxing agencies.
- Preparation of summary of consultations with taxing agencies for incorporation into the Report on the Plan.
- Timely response to inquiries from SCI.

If this data is not available, or timely delivery is not possible, either the budget or the schedule may need to be modified.

Project Schedule

The Authority anticipates a completion time of approximately 18 months for the entire project.

SCI provides staffing arrangements for projects based on current conditions. Projects that are put on hold by the client may require an adjustment of team members based upon the date the project resumes. In accordance with that date, additional hours will be required to familiarize and educate team members and will be billed as additional services. Further, if MOBRAD's key staff member(s) originally assigned to the project are no longer able to work on the project in the future, the budget may need to be revised to reflect training and education of new staff assigned to this project. If the project is put on hold by the client for a term of six (6) months or more, the contractual fee arrangement may be adjusted to reflect appropriate fee scales.

BUDGET AND COMPENSATION POLICIES

Based on this scope of services, SCI has prepared a preliminary budget estimate by task and will bill on a time and materials basis each month by task, up to the total budgeted not to exceed amount shown in Tables 1 and 2. Should the scope change or the SB 1206 and Project Area expansion related tasks exceed the estimated budget for Task 5, the final budget or the allocation of budget among tasks may need to be adjusted accordingly. SCI will bill on a time and materials based on the hourly rates and expense policies as described below:

Compensation and General Contract Provisions

Seifel Consulting Inc. (Seifel) bills on a time and materials basis. Billing rates are subject to annual revision.

1. Hourly Rates (Time)

	2007	2008
Elizabeth Seifel, President	$225	$235
Principal	$195	$205
Managing Consultant	$170	$180
Senior Consultant	$140	$150
Consultant	$120	$130
Analyst	$110	$120
Research Assistant	$100	$110
Document Processing/Graphics	$75	$80

Testimony as expert witness at court trials, administrative hearings, and depositions will be billed at 200 percent of the above rates. Travel time is billed at 50 percent time. Expedited work at client's request will be billed at 150% time (Rush Fee).

Subcontractor rates for McDonough Holland & Allen are as follows:

Joseph Coomes, Partner	$365
Gerald Ramiza, Partner	$295
Lynn Sleeper, Paralegal	$190
Tricia Leonard, Paralegal	$170

2. Expenses (Materials)

Seifel bills expenses as follows:

- Automobile mileage charges are based on the Internal Revenue Service Optional Standard Mileage Rate.
- Photocopying/report reproduction charges are 10 cents per black & white single-sided letter page (20 cents for a ledger sized page) and one dollar per color single-sided letter page (two dollars for a ledger sized page), except for bulk reproduction of reports, which is charged on a direct reimbursable basis.
- Delivery service charges are at cost.
- Per diem and travel expenses, including airfare, automobile rental and hotel (if necessary) are charged at actual cost.
- All remaining expenses are billed on a direct reimbursable basis with receipts above $20 provided as evidence upon request.

3. Project Delays

While we attempt to provide staffing arrangements for projects based on current conditions, projects that are put on hold by the Client may require an adjustment of team members based upon the date the project resumes. In accordance with that date, additional hours will be required to familiarize and educate team members and will be billed as additional services. Further, if the Client's key staff member(s) originally assigned to the project are no longer able to work on the project in the future, the budget may need to be revised to reflect training and education of new staff assigned to this project.

If the project is put on hold by the Client for a term of six (6) months or more, the contractual fee arrangement may be adjusted to reflect appropriate fee scales.

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Exhibit B: Calculation of Charges
Table 1
Summary Amended Budget
Redevelopment Plan Adoption- Contract Amendment
Treasure Island

Task Descriptions	Current Budget	Billed to Date	Additional Budget	Total Amended Budget
Task 1: Preliminary Report	**$30,320**	$56,631	**$46,950**	$103,581
Update Physical and Economic Blight Analysis	$4,320		$8,600	
Update of County Fiscal Officer's Report	$780		$1,280	
Update Projects and Activities	$2,640		$6,190	
Update Maps and Exhibits	$4,500		$4,675	
Update Methods of Financing Analysis	$1,320		$3,455	
Update Financial Feasibility Analysis	$8,120		$6,630	
Preparation of Final Draft and Final Report	$8,640		$16,120	
Task 2: Legal Documents	**$10,380**	$10,570	**$20,125**	$30,695
Prepare Amended Prelminary Plan	n/a		$5,655	
Prepare Redevelopment Plan	$10,380		$14,470	
Task 3: Report on the Redevelopment Plan	**$40,920**	$1,962	**$48,560**	$50,522
Update Preliminary Report Analysis	$10,680		$11,890	
Implementation Plan	$13,680		$11,370	
Relocation, Neighborhood Impacts, etc.	$4,080		$10,330	
Preparation of Draft and Final Report	$12,480		$14,970	
Task 4: Meetings	**$14,640**	$8,086	**$23,610**	$31,696
Community Meetings (max. 2 @ 4 hrs. per mtg.)	$4,320		$2,920	
Public Briefings (max. 4 @ 4 hrs. per mtg.)	$3,120		$5,840	
Staff Meetings (approx. 20 mtgs. @ 3 hrs. ea.)	$7,200		$14,850	
Task 5: General Consultation and Management	**$27,340**	$17,372	**$52,310**	$69,682
Schedule Management	$6,720		$12,320	
SB 1206 County Fiscal Officer's Report	n/a		$8,230	
SB 1206 DOF/HCD Reports	n/a		$9,230	
33328.5 Documentation	n/a		$6,730	
General Consultation Services	$20,620		$15,800	
Subtotal	**$123,600**	**$94,621**	**$191,555**	**$286,176**
Expenses	$6,000	$3,284	$8,000	$11,284
Total Projected Budget	**$129,600**	**$97,905**	**$199,555**	**$297,460**

Exhibit B: Calculation of Charges
Table 1
Summary Amended Budget
Redevelopment Plan Adoption- Contract Amendment
Treasure Island

Task Descriptions	Current Budget	Additional Budget	Total Amended Budget
Task 1: Preliminary Report	$30,320	$73,261	$103,581
Task 2: Legal Documents	$10,380	$20,315	$30,695
Task 3: Report on the Redevelopment Plan	$40,920	$9,602	$50,522
Task 4: Meetings	$14,640	$17,056	$31,696
Task 5: General Consultation and Manageme	$27,340	$42,342	$69,682
Subtotal	$123,600	$162,576	$286,176
Expenses	$6,000	$5,284	$11,284
Total Projected Budget	$129,600	$167,860	$297,460

Exhibit B: Calculation of Charges
Table 2
Proposed Budget
Redevelopment Plan Adoption- Contract Amendment
Treasure Island

Task Descriptions	Total Budget	Seifel Consulting Budget				Seifel Consulting Hours			McDonough Holland & Allen Budget
		Total	President	Consultants	Support Staff	President	Consultants	Support Staff	
Task 1: Preliminary Report	**$46,950**								
Update Physical and Economic Blight Analysis		$8,600	$8,600	$470	$7,330	$800	$2	$56	$10	
Update of County Fiscal Officer's Report		$1,280	$1,280	$0	$1,120	$160	$0	$8	$2	
Update Projects and Activities		$6,190	$6,190	$470	$5,080	$640	$2	$38	$8	
Update Maps and Exhibits		$4,675	$4,675	$235	$3,800	$640	$1	$30	$8	
Update Methods of Financing Analysis		$3,455	$3,455	$235	$3,220	$0	$1	$24	$0	
Update Financial Feasibility Analysis		$6,630	$6,630	$470	$6,160	$0	$2	$44	$0	
Preparation of Final Draft and Final Report		$16,120	$16,120	$940	$10,380	$4,800	$4	$76	$60	
Task 2: Legal Documents	**$20,125**								
Prepare Amended Preliminary Plan		$5,655	$655	$235	$260	$160	$1	$2	$2	$5,000
Prepare Redevelopment Plan		$14,470	$4,470	$470	$3,680	$320	$2	$26	$4	$10,000
Prepare Other Legal Documents		$0		$0	$0	$0	$0	$0	$0	$0
Task 3: Report on the Redevelopment Plan	**$48,560**								
Update Preliminary Report Analysis		$11,890	$11,890	$470	$8,220	$3,200	$2	$64	$40	
Implementation Plan		$11,370	$11,370	$470	$9,300	$1,600	$2	$70	$20	
Relocation, Neighborhood Impacts, etc.		$10,330	$10,330	$470	$8,580	$1,280	$2	$66	$16	
Preparation of Draft and Final Report		$14,970	$14,970	$1,410	$7,160	$8,400	$6	$52	$80	
Task 4: Meetings	**$23,610**								
Community Meetings (max. 2 @ 4 hrs. per mtg.)		$2,920	$2,920	$1,880	$1,040	$0	$8	$8	$0	
Public Briefings (max. 4 @ 4 hrs. per mtg.)		$5,840	$5,840	$3,760	$2,080	$0	$16	$16	$0	
Staff Meetings (approx. 20 mtgs. @ 3 hrs. ea.)		$14,850	$14,850	$7,050	$7,800	$0	$30	$60	$0	
Task 5: General Consultation and Management	**$52,310**								
Schedule Management		$12,320	$6,320	$1,880	$6,120	$320	$8	$44	$4	$4,000
SB 1206 County Fiscal Officer's Report		$8,230	$7,230	$470	$6,440	$320	$2	$48	$4	$1,000
SB 1206 DOF/HCD Reports		$9,230	$7,230	$470	$6,440	$320	$2	$48	$4	$2,000
33328.5 Documentation		$6,730	$4,730	$470	$3,940	$320	$2	$28	$4	$2,000
General Consultation Services		$15,800	$7,800	$4,700	$3,100	$0	$20	$20	$0	$8,000
Subtotal	**$191,555**	-	**$159,555**	**$27,025**	**$111,250**	**$21,280**	**$115**	**$828**	**$266**	**$32,000**
Expenses @ 4% of total	**$8,000**									$0
Total Projected Budget	**$199,555**									$32,000

Notes: Professional labor budget based on following professional hourly rates:

Seifel Consulting Inc.

President	$235 /hour
Consultants	
Managing Consultant	$180 /hour
Senior Consultant	$150 /hour
Consultant	$130 /hour
Analyst	$120 /hour
Research Assistant	$110 /hour
Average Billable Rate for Budget Purposes	$135 /hour
Support Staff	$80 /hour

McDonough Holland & Allen

Joseph Coomes, Partner	$365 /hour
Gerald Ramiza, Partner	$295 /hour
Lynn Sleeper, Paralegal	$190 /hour
Tricia Leonard, Paralegal	$170 /hour

Expenses will be billed on a direct reimbursable basis, to the proposed budget.

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TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO

FIFTH AMENDMENT

THIS FIFTH AMENDMENT (this "Amendment") is made as of November 14, 2007, in San Francisco, California, by and between Seifel Consulting, Inc. ("Contractor"), and the Treasure Island Development Authority, a California non-profit public benefit corporation ("Authority"), acting by and through its Director of Island Operations ("Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. **Definitions**. The following definitions shall apply to this Amendment:

(a) Agreement. The term "Agreement" shall mean the Agreement dated July 1, 2002 between Contractor and Authority, as amended by a First Amendment dated January 1, 2004, a Second Amendment dated July 1, 2004, a Third Amendment dated July 1, 2005 and a Fourth Amendment dated July 1, 2006.

(b) Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement**. The Agreement is hereby modified as follows:

(a) Section 2. Term of the Agreement, is hereby amended to read as follows:

Subject to Section 1, the term of this Agreement shall be from July 1, 2002 to June 30, 2009.

(b) Section 5. Compensation, is hereby amended to read as follows:

In no event shall the amount of this Agreement exceed two hundred ninety seven thousand four hundred sixty dollars ($297,460).

(c) Section 26. Ownership of Results, is hereby amended to read as follows:

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents, with the exception of proprietary computer models developed previously by the Contractor, prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

(d) **Section 27. Works for Hire**, is hereby amended to read as follows:

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, with the exception of modifications to proprietary computer models developed previously by the Contractor, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

(e) **Exhibit A: Services to be Provided by Contractor**, is hereby deleted in its entirety and replaced by Exhibit A: Services to be Provided by Contractor, as attached to this Amendment.

(f) **Exhibit B: Calculation of Charges**, is hereby deleted in its entirety and replaced by Exhibit B: Calculation of Charges, as attached to this Amendment.

3. **Effective Date**. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect**. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

_____
Mirian Saez, Director of Island Operations
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35 of the Agreement, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

_____
Elizabeth Seifel, President
Seifel Consulting Inc.
221 Main St., Suite 420
San Francisco, CA 94105
FEIN: 94-3225313
Vendor No: 32122

EXHIBITS

A: Services to be Provided by Contractor
B: Calculation of Charges

AGENDA ITEM 8 C
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 14, 2007

Subject: Resolution Authorizing the Director of Island Operations to Extend the Term of a Utilities Services Contract with the US Coast Guard. (Action Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

Through the Treasure Island Development Authority (the "Authority"), the San Francisco Public Utilities Commission ("SFPUC") provides utility services to the US Coast Guard station on Yerba Buena Island. At the Authority Board of Directors meeting of September 12, 2007, the Authority authorized the Director of Island Operations to Execute a Utilities Services Contract with the US Coast Guard for a term of October 1, 2007 through November 30, 2007.

The US Coast Guard has submitted a proposed amendment to the Utility Services Contract requesting that the Authority continue to provide utilities to the Coast Guard from December 1, 2007 through November 30, 2008, on the same terms and conditions.

The Authority performs its Base Caretaker duties on behalf of the United States Navy pursuant to the Base Caretaker Cooperative Agreement ("Agreement") as amended between United States Navy and the City and County of San Francisco, as the initial "Caretaker". The Agreement was initially signed on March 12, 1997 and is updated annually. The Authority is the successor "Caretaker" under the Agreement.

Obligations of the Caretaker are described generally in Articles I through XI of the Agreement. Specific duties of the Caretaker are described in Function Annexes 1 through 9. Function Annex 6 – Utilities Services, describes the responsibilities of the Caretaker with respect to operation and maintenance of the utilities systems at Treasure Island and Yerba Buena Island.

According to the Agreement, "The Caretaker will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base." (Cooperative Agreement Modification 13, Functional Annex 6 - Technical Execution Plan Utilities Management, Paragraph 9.0 **Purchase of Utility Commodities**).

Further, the Agreement states that "The Caretaker will enter into Utility Service Contracts ("USCs") with all Federal users, including the Navy or the Navy's contractors as required. The USC shall contain pertinent information regarding the utilities agreement between the Caretaker and the specific Federal user, including rates." (Cooperative Agreement Modification 13,

Functional Annex 6 - Technical Execution Plan Utilities Management, Paragraph 10.0 **Billing and Payment for Utilities Consumption**).

In accord with the Agreement, the US Coast Guard enters into successive contracts with the Authority for the provision of utilities to the YBI Coast Guard Station. Through these contracts, the Coast Guard agrees to pay the SFPUC for utilities consumed at the YBI Coast Guard station at rates approved by the Authority Board of Directors and the SFPUC. The rates charged to the Coast Guard are identical to the rates charged commercial subtenants on Treasure Island and Yerba Buena Island. The Authority work orders the responsibilities for utility purchasing, operation and maintenance to the SFPUC.

RECOMMENDATION

Project Staff recommends that the Director of Island Operations be authorized to sign the Modification to the Utilities Services Contract with the US Coast Guard to extend the term of the Utilities Services Contract through November 30, 2008, under the same terms and conditions.

Exhibit A- Modification to Utilities Services Contract between the Authority and the US Coast Guard.

Prepared by Marc McDonald, Facilities Manager

for Mirian Saez, Director of Island Operations

[Resolution Authorizing Extension of US Coast Guard Utilities Agreement]

RESOLUTION AUTHORIZING THE DIRECTOR OF ISLAND OPERATIONS TO EXTEND THE TERM OF A UTILITIES SERVICES CONTRACT WITH THE US COAST GUARD.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, On March 12, 1997, the City and the US Navy entered into the Base Caretaker Cooperative Agreement ("Cooperative Agreement") for the management and operation of the Base; and,

WHEREAS, The Authority is the successor Base Caretaker under the Cooperative Agreement; and,

WHEREAS, On October 1, 2000, the Cooperative Agreement was amended by Modification No. P00013, to delegate to the Authority, as the Base Caretaker, the responsibility for the purchase of all electricity, natural gas and water consumed on Treasure Island and Yerba Buena Island and to enter into Utilities Service Contracts with Federal users as required; and,

WHEREAS, On September 12, 2007, the Authority authorized the Director of Island Operations to enter into a Utilities Service Contract with the US Coast Guard for use of utilities at certain rates for the period October 1, 2007 through November 30, 2007; and,

WHEREAS, The US Coast Guard has requested the Authority to extend the term of the Utilities Services Contract with the US Coast Guard on the same terms and conditions through November 30, 2008; and,

WHEREAS, Utilities commodities purchasing, operation and maintenance responsibilities have been work ordered by the Authority to the San Francisco Public Utilities Commission ("SFPUC") and the SFPUC has approved the rates described in the Utilities Service Contract between the Authority and the US Coast Guard; Now, Therefore, Be It

RESOLVED, That the Authority Board of Directors hereby approves and authorizes the Director of Island Operations to execute the extension to the Utilities Services Contract between the Authority and the US Coast Guard for the period from December 1, 2007 through November 30, 2008 in substantially the form of agreement attached hereto as Exhibit A.

/////

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 14, 2007.

_____

Owen Stephens, Secretary

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1. CONTRACT ID CODE	PAGE	OF PAGES
	1	1

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

2. AMENDMENT/MODIFICATION NO 0001	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. *(If applicable)*
P00001	12/01/07	2408YBI970001	

6. ISSUED BY	CODE	7. ADMINISTERED BY *(If other than Item 6)*	CODE
COMMANDER (fcp-1) USCG MAINTENANCE & LOGISTICS COMMAND PACIFIC BLDG. 54C, COAST GUARD ISLAND ALAMEDA, CA 94501-5100		SAME AS ISSUED BY	

8. NAME AND ADRESS OF CONTRACTOR *(no., street, county, State and ZIP Code)*	√	9.A AMENDMENT OF SOLICITATION NO.
Treasure Island Development Authority For City and County of San Francisco 410 Avenue of the Palms Treasure Island San Francisco, CA 94130		9B. DATE *(SEE ITEM 11)*
	X	10A. MODIFICATION OF CONTRACT/ORDER NO. HSCG89-08-C-970001
	X	10B. DATED *(SEE ITEM 13)* 09/26//07

CODE	FACILITY CODE

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _1_copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the Offer submitted: or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified. **SEE Item 14 for extended receipt date.**

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*

See Block 14, paragraph c.

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

√	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: *(Specify authority)* THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES *(such as changes in paying office, appropriation data, etc)* SET FORTH IN ITEM 14, PURSUANT TO AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER *(Specify type of modification and authority)*. **Bilateral Agreement: FAR 52.217-9, FAR 52.241-3; FAR 52.232-19. See Block 14.**

E. IMPORTANT: Contractor is not ☐ , ☒ is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION *(Organized by UCF section headings, including solicitation/contract subject matter where feasible.)*

This modification is issued:

a. By authority of FAR 52.217-9 Option to Extend the Term of the Contract (MAR 2000), this modification incorporates Option Term One for period December 1, 2007 through Nov 30, 2008. Schedule of Services is attached.

b. FAR 52.241-3 Scope and Duration of Contract (FEB 1995) is changed to reflect new expiration date, Nov 30, 2008. Replacement page 7 of 14 attached.

c. Block 12, ACCOUNTING AND APPROPRIATION DATA: 2/6/801/133/30/0/BL/37270 **$44,653.60**; 2/6/801/133/30/0/SY/72860/233U **$50,152.70**; 2/6/801/133/30/0/E1/72860/233T **$25,124.00**; 2/6/801/133/30/0/F1/72860/233R **$5,364.82**; 2/6/801/133/30/0/EN/37270/1217 **$399,234.10**. Total **$524,529.22**

d. Total contract funding is increased FROM: $87,264.78 BY: $524,529.22 TO: $611,323.73.

e. Funding is subject to FAR 52.232-19 Availability of Funds for the Next Fiscal Year (APR 1984).

Except as provide herein, all terms and conditions of the document referenced in item 9A or 10a, as hereto changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER *(Type or print)*		16A NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)*	
15B. CONTRACTOR/OFFEROR	**15C. DATE SIGNED**	**16B. UNITED STATES OF AMERICA**	**16C. DATE SIGNED**
(Signature of person authorized to sign)		*(Signature of Contracting Officer)*	

AGENDA ITEM 9
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 14, 2007

Subject: **Resolution Authorizing the Director of Island Operations to Execute a Sublease for the Café at Building 183 with the Treasure Island Job Corps *(Action Item)***

Contact **Mirian Saez, Director of Island Operations**
Phone **(415) 274-0660**

BACKGROUND

On October 1, 1998, the Treasure Island Development Authority (the "Authority") entered into a Sublease with the Delancey Street Foundation ("Delancey Street") for the use of three buildings on Treasure Island. Among the buildings subleased was Building 183, which Delancey Street has operated as a coffee shop/café in association with their vocational program for culinary arts.

The current term of the Sublease expires November 30, 2007. At the regular meeting of the Authority's Board of Directors on September 12, 2007, Project Staff informed the Authority Board that Delancey Street had announced its intention to discontinue its Crossroads Café operations effective November 30, 2007 due to their inability to generate sufficient revenue to operate without significant financial loss.

At the same meeting, the Authority Board authorized the Director of Island Operations to enter into sole source negotiations with the Treasure Island Job Corps Center to sublease the building for the purpose of operating a café. Rationale supporting sole source negotiations was:

- The Treasure Island Job Corps Center, similar to Delancey Street, provides a substantial public benefit to the City and County of San Francisco as a training and education facility for youth. Training includes instruction and hands-on experience in culinary arts ranging from preparing and serving food at the Job Corps dining hall through providing catering services, and offering the public a reserved seating fine dining experience. Job Corps' operation of the Crossroads Café would be a natural extension of the existing training opportunities available to Job Corps youth. Through the skills and confidence gained by operating and managing the Crossroads Café, the opportunities for trainees to find gainful employment in San Francisco upon graduation will be enhanced.

- The Crossroads Café is one of the few amenities available to residents and visitors to Treasure Island. Project Staff anticipates that a public solicitation process for a

new subtenant for the Crossroads Café will take up to six months, during which time the Crossroads Café will remain closed. On the other hand, sole source negotiations with Job Corps will reduce the time that this facility will be closed to the public.

Over the past month, Project Staff has reviewed the Job Corps proposal to operate the Café with an emphasis on the following issues.

- Securing a written Business Plan from Job Corps
- Obtaining a description of offerings, including a menu
- A description of proposed hours of operation and amenities
- Rent payable to the Authority
- Improvements to the premises
- Term

On October 15, Job Corps delivered a Business Plan to Project Staff. The Business Plan, which renamed the café the "Cooks Café," was evaluated based on criteria identified as critical factors in evaluating food related retailing. The criteria include:

- Lease Proposal – A description of the lease business terms, including premises, amount of rent, and term.
- Start-Up – A description of all costs to start-up operations, including improvements, labor, marketing, advertising, and construction period rent.
- Financing Plan – A description of debt and equity financing, as well as a description of the financing terms.
- Staffing Plan and Schedule – A description of the principal staff hours of operation with a description of staffing needed to support the schedule.

Lease Proposal –

The premises will be the approximately 640 square foot Building 183 which is located adjacent to the Marina parking lot. The term will be up to one-year, terminable by the Authority on thirty days (30) notice. Job Corps has proposed an Early Entry to take possession of the premises commencing December 1, 2007 through January 15, 2007 for the purpose of making improvements. Further, Job Corps has proposed a rental schedule of $700 per month commencing March 1, 2007.

According to the Interim Subleasing Policy, subtenants may be granted up to 30 days of Early Entry at zero rent to make improvements to the premises. Job Corps has requested waiver of the 30 day Early Entry policy and requested forty-five (45) days Early Entry at zero rent. The Early Entry period will begin December 1, 2007 and end January 15, 2008. During this period, Job Corps students will make improvements to the premises.

According to the Interim Leasing Policy, the Minimum Rent for the Café is $800 ($1.25 psf) NNN per month. Job Corps has requested waiver of the minimum rent stating that funding for rent is limited to $700 ($1.09 psf) NNN per month.

Start Up -

In addition to renovating the premises, Startup activities will consist of training youth in Café operations and business. It is proposed to take 45 days. During this start-up period, the Café will be open to the public and food will be served. Job Corps has requested free rent for a period of 45 days beginning January 16, 2008, and ending February 29, 2008 and further requests that the obligation to pay rent begin on March 1, 2008.

Financing Plan -

Financing will be provided by Job Corps. It will cover working capital, capital expenditures and the expenditure of $17,000 for Fixtures, Furniture and Equipment. Staffing will include Job Corps students at no cost and faculty supervision at a cost of $54,000 for the year.

Staffing Plan and Schedule -

Hours of Operation will be 7AM to 3PM and 5PM to 8:30PM Tuesdays through Fridays. On Saturdays, the Café will be open from 7AM to 2PM and reopen from 5PM to 9PM. Sunday Brunch will be served from 10AM to 3PM. The Café will be closed on Mondays for clean up and maintenance. The Café will be operated by students, however, at least one faculty member will be present to provide instruction and training during all operating hours.

A full menu, including Breakfast, Lunch and Dinner, will be served Tuesday through Saturday, with a Brunch on Sundays. The Breakfast menu will range from a Danish for $2.00 to Omelets for $6.50. The Lunch menu will range from $3.00 for a Salad to $5.50 for a Hamburger. The Dinner entrée, consisting of hot foods, such as chicken, will be priced at $8.00.

FINANCIAL IMPACT

The financial impact to the Treasure Island Development Authority will be positive. Life Learning currently pays the Authority zero rent for its use of Building 183. Therefore $0 rent was budgeted for this building for FY 07-08. The Job Corps proposes to pay the Authority $700 per month beginning March 1, 2008. Consequently, Job Corps proposes to provide the Authority $3,500 in revenue that was not budgeted for in FY 07-08.

RECOMMENDATION

Project Staff recommends that the Authority Board accept the Job Corps proposal to sublease the Cooks Café for operation and management by Job Corps staff and students.

Project Staff further recommends that the Authority Board approve and authorize the Director of Island Operations to execute a Sublease in substantially the form attached hereto as Exhibit C, including the terms and conditions of the Sublease that are outside of the parameters and authority of Project Staff as described in the Interim Subleasing Policy as follows:

1. Job Corp shall be granted up to 45 days Early Entry at zero rent to make improvements to the premises, beginning December 1, 2007.
2. Job Corps shall be granted a waiver of rent for the first 45 days of operation, beginning January 16, 2008 through February 29, 2007.
3. Job Corps shall be granted a waiver of the Minimum Rent of $800 per month and the Authority Board accepts their proposal to pay the $1.09 psf or $700 per month for the Cooks Café.

Project Staff further recommends that the Subtenant submit to Project Staff reports of Café operations as requested, but no less than quarterly, such reports to include but not be limited to an accounting of Revenues earned and Expenditures made in the operation of the Café.

EXHIBITS

A. Job Corps Business Plan Briefing for Cooks Café
B. Job Corps Expression of Interest
C. Sublease

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director of Island Operations

[Job Corps Café Sublease]

RESOLUTION AUTHORIZING THE DIRECTOR OF ISLAND OPERATIONS TO EXECUTE A SUBLEASE FOR THE CAFÉ AT BUILDING 183 WITH THE TREASURE ISLAND JOB CORPS

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public-oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, In order to facilitate productive reuse of the Base, the Authority leases and licenses property from the Navy and, in turn, subleases and sublicenses such property to third parties or uses such property for municipal purposes; and,

WHEREAS, On September 16, 1998, the Board of Directors of the Authority approved a Sublease with Delancey Street Foundation ("Delancey Street") for the use of certain buildings, including Building 183 (the " Premises") for use as a coffee shop/café; and,

WHEREAS, The primary purpose of the Sublease was to provide (1) a suitable location for a vocational program for at risk youth to learn culinary arts, and (2) to operate a coffee shop/café staffed by students to serve the visitors and residents of Treasure Island and Yerba Buena Island; and,

WHEREAS, The Delancey Street Sublease for the Premises expires on November 30, 2007; and,

WHEREAS, Delancey Street has informed the Authority that it will not renew the Sublease for the Premises for the term commencing December 1, 2007; and,

WHEREAS, The Treasure Island Job Corps ("Job Corps") has submitted a proposal to enter into a Sublease with the Authority for the Premises commencing December 1, 2007, (1) for the purpose of operating a vocational program at the Premises for at risk youth to learn culinary arts, and (2) to operate a café staffed by students to serve the visitors and residents of Treasure Island and Yerba Buena Island; and,

WHEREAS, The Job Corps' purpose for subleasing the Café is identical to the public purpose for which the Premises were subleased by Delancey Street; and,

WHEREAS, The Job Corps has requested that the Sublease include terms and conditions that are outside the parameters described in the Interim Subleasing Policy adopted by the Authority's Board of Directors, such parameters including those for zero rent for Early Entry for a maximum of thirty (30) days to make improvements to the premises and for no

other reason, and those parameters that establish minimum acceptable rent at One Dollar and Twenty Five Cents ($1.25) psf per month; and,

WHEREAS, Operation of the Café on Treasure Island by the Job Corps will provide (i) significant benefits to the Authority by serving as a center for convenient prepared food for the island community and minimizing the period that the Café will be closed due to the expiration of the Delancey Street Sublease, and (ii) a substantial public benefit to the City of San Francisco as a training and education facility for at-risk youth; and,

WHEREAS, At its September 12, 2007 regular meeting, the Authority Board authorized the Director of Island Operations to enter into sole source negotiations with the Job Corps for the sublease of the Premises and the operation of the café; NOW, THEREFORE, BE IT

RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations to execute a Sublease with the Treasure Island Job Corps for the Cooks Café at Building 183 in substantially the form attached hereto as Exhibit A, including the following terms that are outside the Interim Subleasing Policy: (i) the Job Corps will be entitled to a forty-five (45) day free rent Early Entry period for the purpose of making improvements to the Premises and an additional forty-five (45) day free rent period for the purposes of training students in the operation of the Cooks Café; and (ii) beginning March 1, 2008, the initial base rent for the Premises will be One Dollar and Nine Cents ($1.09) psf per month; and, Be It

FURTHER RESOLVED, That beginning March 1, 2008, the Cooks Café Hours of Operation will be 7AM to 3PM and 5PM to 8:30PM Tuesdays through Fridays and on Saturdays, the Cooks Café will be open from 7AM to 2PM and reopen from 5PM to 9PM and on Sundays the Cooks Café will be open from 10AM to 3PM, and the Cooks Café will be closed on Mondays for clean up and maintenance; and, Be It

FURTHER RESOLVED, That beginning March 1, 2008, the Job Corps shall submit to Project Staff reports of Cooks Café operations as requested, but no less than quarterly, such reports shall include but not be limited to an accounting of revenues earned and expenditures made in the operation of the Café; and Be It

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Sublease with the Job Corps will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Sublease are economically reasonable.

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CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 14, 2007.

_____

Owen Stephens, Secretary

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Treasure Island Job Corps

Presents:

Cooks Café

Culinary **O**ngoing **O**utreach for **K**ontinuing **S**uccess



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Mission Statement

As a national primary residential training program, Job Corps mission is to attract eligible young adults, teach them the skills they need to become employable and independent, and place them in meaningful jobs or further education.

BUSINESS PLAN BRIEFING FOR

"COOKS CAFÉ"

Culinary Ongoing Outreach for Kontinuing Success

Summary

The purpose of Cooks Café is to create a hands-on, work based learning site for the Treasure Island Job Corps Culinary Program. This work based learning site will give our students on-the-job work experience, and provide a pleasant dining experience for the Treasure Island Community.

This is a work in process business plan that offers you an opportunity to review our vision and strategic focus. Once completed, it will provide a step-by-step plan for the business start-up, establishing favorable sales numbers, gross margin, and profitability.

PROJECT OVERVIEW

Job Corps believes that Cooks Café is an economically sound proposal and will benefit all who are involved with the creation of our vision to promote an environment of learning. Treasure Island Job Corps Culinary program will be aligned with industry-based skill standards and offer a track toward industry-recognized certification.

OBJECTIVES

Cooks Café concept is to build a unique success to the Island Community and San Francisco visitors. Cooks Café will provide accessibility and affordable quality of food, coffee, soft and natural drinks all served for breakfast, lunch and dinner to potentially hundreds of residents and visitors to the Island.

The establishment will provide a "unique" experience for visitors while they are enjoying the beautiful views and at the same time learning about our Job Corps programs, and the benefits provided to the students, and the work based learning process.

Cooks Café aim is simple and also sophisticated, yet casual dining and coffee house experience. It will be affordable venture patrons; one that will encourage them to return on many occasions. Cooks Café will be frequented by the Yacht Club members, weekly San Francisco tourist, and Treasure Island families.

Cooks Café will provide a much needed neighborhood based retail food operation that is currently not available, in the evening on this beautiful island of San Francisco. We will provide essential services to the community, increase visitors to the island, bring more commercial activity to the island and help our community.

Cooks Café will pay our landlord $700 a month for rent after 90 days of full operation

Projected Starting Cost

This projected start up cost in based on the, estimated food cost of our menu, supplies, and equipment. The estimated start up cost for Cook's Café is: $33,744.00

Our main goals are:

- To create revenue streams and generate net profit within a year.
- Provide basic café services including a vast menu and affordable variety selection of prepared foods.
- Utilize local Island resources, organizations and community involvement.
- Fulfill the needs of Island community.
- Hours of operation consistent and reliable.
- To teach and train our students how to own and operate a profitable business.

MARKETING OBJECTIVES

All the material used for marketing such as the menus, flyers, advertisements, news letters will be provided by the Graphic Design Program at the Treasure Island Job Corps.

OPERATIONS

Cooks Café will be offering Breakfast, Lunch and Dinner, Tuesdays through Friday 7AM to 3PM reopening 5PM to 8:30PM. Saturdays from 7AM to 2PM, reopening at 5PM to 9PM. And will also provide an eloquent Sunday Brunch 10AM to 3PM!

SUPERVISION/ STUDENTS

- The students will be under the supervision of the one of our Executive Chefs.
- The students who will be working at Cooks Café will be selected based on their performance in class, their attendance and behavior.
- The students will have to complete the minimum Work Base Learning hours required.
- The supervisor will have to instruct and supervise the students at all times.
- The supervisor will be responsible for maintaining a positive and healthy atmosphere for the customers who will be visiting and dining.

115 Gardenia Way
East Palo Alto, Ca. 94303

(510) 377-3035
Valetta_robinson@yahoo.com

Valetta Robinson

Objective

To utilize my life and work experiences, and my educational knowledge to assist youth, and or adults. I am seeking a challenging position and have active involvement in a progressive organization.

Experience

01/2007-Current Treasure Island Job Corps San Francisco, Ca.

Culinary Program Director

- Responsible for the over operation of the Culinary Program
- Monitor staff and trainee's in the culinary program
- Monitor the Culinary Budget
- Support the Program and Center Directors in the day to day operations at the Job Corps Center

07/ 10/ 2006-01/ 2007 Treasure Island Job Corps San Francisco, Ca.

Career Transitional Specialist

- Assist trainees with housing, employment, and childcare
- Verify employment on trainees that have existed Job Corps.
- Provide 12 months of services to former trainees.

9/13/04 -12/2006 Joy Adolescent Treatment Center San Leandro, Ca

Group Home Director

- Responsible for hiring, training, scheduling, and supervising applicable employees.
- Responsible for the intake and discharging of residents in our facility
- Responsible for the overall operation of the facility.

9/03-9/04 Lincoln Child Center/Project Destiny Oakland, Ca.

Resource Coordinator

- Provide appropriate placements for youth in our program.
- Provide a variety of resources, and establish community resources for our program, and for the families that are associated with our program.

12/02-09/03

Lead Family Support Specialist

- Provide direct wraparound support to youth and families associated with our program.
- Supervise visits with our clients and a family member.
- Provide transportation for our clients.

01/2001-12/02 Lincoln Child Center Oakland, Ca.

Counselor II

- Counsel Residents on their behavior
- Monitor/assist residents with their homework
- Transported resident to appointments, & outings

01/2001-07/2003 Cassio Place Fremont, Ca.

Facility Manager/Childcare Worker

- Counsel residents on their Behaviors
- Did intake and discharge of residents
- Facilitate different groups in the home with residents
- Provided residents with different community resources
- Transported residents to their different appointments
- Made sure the facility was safe at all times

2001-2003 Ms. V Soul food Restaurant San Leandro, Ca.

Owner

- Provide excellent customer service.
- Served delicious homemade entrees, vegetables, and desserts.
- Offered professional on the job training to all employees
- Preformed safety and sanitation at all times.

2000-2001 Mills College Oakland, Ca.

Assistant Director of Residential Dining

- Managed food services workers in our dining halls
- Support the production manager in providing high quality service, and meals to our students.
- Assist in planning special events and catering functions
- Responsible for the hiring, training, scheduling, and the supervising of food service workers
- Interact with students, staff and other departments on campus to ensure customer satisfaction

1999-2000 Stanford University Stanford, Ca.

Food Service Manager

- Support the unit manager in providing high quality service to our students and customers
- Responsible for hiring, training, scheduling, and supervising applicable employees
- Assist in planning special events and catering functions
- Interact with students, resident fellows, and other departments to ensure customer satisfaction.

1996-1999 University of Oklahoma Norman, Ok.

Assistant Manager/Athletic Dining Hall

- Assist the manager in maintaining the dining facility
- Created a four week cycle menu
- Kept the production area and the storeroom organized
- Write out daily production task
- Created a inventory control system
- Hired and trained full, part-time, and student employees
- Ensured that all athletes had a well balanced meal
- Catered all special functions for the student athletes

01/1996-10/1999 Historical Calvary Baptist Church OKC, OK

Foodservice Director

- Organized and plan all foodservice events for the church
- Prepared the menu and menu items for the church monthly fellowship dinner
- Plan the annual church picnic
- Planned and catered all special events that were held at the church

01/1995-10/1996 Deaconess Hospital OKC, OK

Head Production Cook

- Prepared breakfast, and lunch for patients, and cafeteria
- Kept meat freezer, and vegetable cooler rotated and in order
- Head of the safety and sanitation committee
- Member of the employee Zapp committee

05/1994-11/1994 Bradley's Café OKC, OK

Head Cook

- Prepared all the menu items for 50 to 200 customers
- Responsible for training new employees
- Assign job duties to all staff
- Responsible for produce and inventory control
- Enforce safety and sanitation guidelines

12/1992-04/1994 Mercy Hospital OKC, OK

Line Server/Cook I/Cook II

- Breakfast Grill Cook in Cafeteria
- Cafeteria Cashier (when needed)
- Prepared Patients meals
- Occasionally trained and supervised 4-6 employees
- Enforced all safety and sanitation guidelines

09/1992-12/1992 Guthrie Job Corps Guthrie, OK

Assistant Cook

- Prepared breakfast and lunch for cafeteria
- Prep food for the dinner meal
- Help monitor dining are during meal time
- Set up serving line
- Served food when needed

01/1992-09/1992 Eagle Ridge Guthrie, OK

Head Cook

- Prepared three meals a day for drug and alcohol dependency woman and their children
- Planned the weekly menu
- Placed weekly food and supply order
- Responsible for safety, sanitation, and security in the dining area

09/1991-01/1992 Langston University Langston, OK

Snack Bar Manager

- Operated and managed the **Phi Beta Lambda**
- Wrote all job descriptions
- Placed all food and supply orders
- Weekly inventory
- Supervised, and trained all employees
- Assigned all job duties

05/1990-05/1991 Logan Hospital Guthrie,OK

Assistant Head Cook

- Prepared meals for patients and cafeteria
- Supervised 6-10 employees
- Delivered patients trays
- Catered Doctors banquets
- Maintained safety and sanitation guideline

04/1987-11/1989 VA Hospital Palo Alto, CA

Dietary Worker II

- Worked on patient tray line breakfast, lunch, and dinner
- Worked in different buildings serving patients
- Delivered bed stricken patients their trays
- Maintained safety and sanitation in all work areas

Education

1990-1995 Langston University Langston, Ok.

- B.B.A.-Bachelor of Business Administration in Hospitality Management

1997-1999 University of Oklahoma Norman, OK.

- M.H.R.-Masters of Human Relations.

Interests Church, working with youth, and cooking

KARINA LARANJEIRA

P.O. Box 191533, San Francisco – CA 94119

ciaovita33@yahoo.it

(415) 632 8127

OBJECTIVE - To obtain the position as a Culinary instructor/ Personal Chef that will enable me to bring knowledge and a bright future through my Executive Chef Skills.

PROFILE

Highly skilled Chef with ten years of progressively responsible experience emphasizing a genuine passion for food and wine, commitment to excellence, strong organization and communication skills. and the proven ability to perform successfully as an instructor working under budget without sacrificing consistency or quality. Specialties include:

* Italian * French * Spanish * Mexican * Regional American
* Californian * Middle Eastern * Asian *South American *Vegetarian *Vegan *Jewish

Skills

- 9 years of experience in culinary & restaurant industry; 3 years culinary instructor
- Multi-Outlet/ High-Volume Operations
- Fine Dining/ A La Carte/ Banquet Services
- Team Building & Training
- Quality Control/ Profit Enhancement
- Safety & Sanitation
- Creative Menu Development, Arts administration, fundraising and event planning
- Professional presentation and excellent oral and written communication skills
- Fluent in Italian, Portuguese, Spanish
- Windows NT/2000/XP, Microsoft Office Professional (Word, Excel, Outlook, Power Point)
- Trained under a Certified Master Chef on International Cuisine
- Sommelier Certified
- Human Resource Management of all aspects of a personal/ commercial business, budgeting and networking.

Education and Certifications

San Francisco Culinary Academy/ Studies Degrees in Le Cordon Bleu Hospitality Management - 2005

San Francisco Culinary Academy/Nutrition, Safety and Sanitation Certified, HACCP -2005- California

YMCA/ Emergency, First Aid, CPR, AED -2005- California

Institut Hôtelier César Ritz/ Swiss Higher Diploma in International Culinary Studies/ Baking & Pastry

British Airways/ Tourism Hospitality and Etiquette Certification -2001- Manchester, England

Congonhas School of Aviation/ Flight Attendant Certification– 1997-1998 - Sao Paulo , Brazil

PF College Institute of Languages/A.A. Linguistics – 1993-1997 – Santos , Brazil

City College of San Francisco / Sommelier/ Wine Master - 2005

DeVry University/ Business Development & Management- 2006

FSN Instructor Certified/ 2007

LEA Vocational Teacher Certified/ 2007

Professional Experience:

CULINARY ARTS - CHEF INSTRUCTOR ***May/2007 – Present***

Job Corps Treasure Island – San Francisco, CA
Taught high school students the skills of culinary curriculum from basic through fine dining cuisine
Catered for large groups and able to work extended hours beyond the regular school day
Responsible for teaching ServSafe, sanitation, nutrition, culinary skills and etc. to high school students wishing to pursue a career as a culinary chef.
Worked with diverse students and must possess sensitivity to student cultural needs. Made industry connections promoting service learning, cooperative education, and work based learning opportunities for the students.
Directed Food and Beverage in all phases of menu and product development for class's projects and events
Worked hours outside the normal work day required periodically for purposes of providing
additional learning experiences for the students in catering and hosting events.
Oversee proper requisition, storage, utilization and inventory of food products.
Purchase food products in availability and freshness.
Performed as an instructor at all times working closely with the trainees on laboratory and classroom
Responsible for daily operations – Chef de Cuisine
Maintained Health Department standards and regulations working closely with the trainees
Trained Culinary aspects of food cost, constantly monitoring production schedules to ensure the highest quality of product at an acceptable product cost.
Created Syllabus based on Scholar Curriculum

EXECUTIVE CHEF/ RESTAURANT MANAGER *May/ 2004 – April/ 2007*
Bella Trattoria Restaurant – San Francisco, CA
Work closely with department heads in all Food and Beverage outlets and Banquets to ensure that all food served is monitored for taste, visual appeal, established portions and acceptable waste and cost.
insisting on meticulously clean and organized environment and schedule
Purchase food products in availability and freshness.
Direct Food and Beverage in all phases of menu and product development.
Ensure that all production areas function in an organized, sanitary, clean and profitable manner.
Cultivate and develop leadership skills of employees, promote and strongly encourage personal and professional growth of subordinates.
Interact with all restaurant support departments on flawless execution of service and ease of operations.
Designed food & wine pairing to highlight the menu
Ordered and inventory of foods & supplies.
Public demonstration and education for cooking classes and off site demonstrations – Moscone Center
Managed multicultural and Spanish-speaking staff
Created and reviewed reports to analyze sales, expense, and profit projections against actual
Create ways to improve profitability
Responsible for menu and recipe development
Scheduling, Inventory & supplies
Budget, P&L, Payroll. Trained, hired, terminated as needed.
Leader, facilitator, negotiator and an executor

SOUS CHEF *2003*
Corinthians Yacht Club, Tiburon – CA
Prepared widely varied cuisines ranging from teriyaki and Korean barbecue to French and American fare:
-- Breakfast – cooked to order pancakes, French toast, eggs, omelettes, meats and breakfast sandwiches.
-- Lunch – hot entrées, vegetarian entrées, deli platters and a variety of sides, soups and salads.

-- Dinner – fresh fish, pasta, grilled meats, homemade desserts and sides, soups and salads.
Specials – appetizers and entrées such as filet mignon, lobster tails and vegetarian Wellington .
Developed weekly menus to appeal to diverse tastes, managed food costs and monitored weekly budget.
Respond to special dietary restrictions including preparations with egg, dairy and sugar substitutes.
Established and maintained relations with suppliers and ordered fresh produce, dry goods and meats.
Prepared eclectic cuisine with stations including grill, sauté, hot entrée, pizza, salad bar, and desserts

EXECUTIVE CHEF *2002*

Lido Europa Restaurant – Giardini Naxos , Sicily

Executed pasta preparation from dough to sauces, butchered meats and fish, and prepared vegetables.
Prepared continental cuisine in an intimate, elegant atmosphere featuring a top ranked wine list.
Oversaw preparation of classic seafood, expedited orders, planned menu, and monitored food/labor costs.
Supervised line cooks preparing Southern Italian cuisine
Participated on Chef's Annual competition and exhibition
Performed exhibition cooking of omelettes, crepes, and carved meats, and set up banquet stations
Customer service
Baking, Food prep, Maintenance of ovens & walk-in freezers

KITCHEN COORDINATOR *2001*

Thornton - North Yorkshire , UK

Updated kitchen equipment in the cleaning process.
Added new recipes for the general populous of the retirement home
Included or changed ingredients to add new flavors to recipes: New Herbs & Spices
Obtained ServSafe Certificate to help ensure safe cooking techniques in the kitchen.
Changed meat vendor, which improved quality of meats while reducing per pound price in most cases.
Planned menus for special events throughout the calendar year.
Planned and cooked for large groups of people on different occasions.
Shopped weekly for food and other supplies.

BAKING & PASTRY SOUS CHEF *2000*

L'Orange Bistro – Lausanne , CH

Cakes: Wide variety of European and American cakes; as well as elegant decorating techniques for gourmet and specialty cakes.
Doughs: Direct, indirect, and laminated doughs including sourdoughs, rye, whole-wheat, baguettes, croissants, as well as puff pastry, pie doughs and Danish.
Plated Desserts: plating and creating desserts for service. Developing menus that include a variety of traditional, modern and unique desserts that range from crème brulee and crème caramel to sorbets, ice creams, mousses, jacondes, and baklava.
Chocolates, Confections, and Show work: mastering the tempering process of chocolate and the cooking process of sugar. Applying these processes to create indulgences such as nugget montellimar, three brothers, caramels, brittles and toffees.
Refining skills to sculpt, shape and pour chocolate; and pulling, blowing, and pouring sugar to create showpieces.

Externship Jobs:

Flight Attendant - British Airways – Manchester Airport , Manchester , UK
Baking & Pastry and Garde Manger - The Butchery Kitchen – Bentham , UK

Egon Grundmann

Current Address:
960 Edgewater Blvd
Foster City CA 94404

Permanent Address:
960 Edgewater Blvd
Foster City CA 94404

Phone: 415.341.1206

EDUCATION:

February 1964
Master Degree in Baking, Trade School of Cologne, Germany
2004 California Vocational Teaching Certificate-Food & Beverage

EXPERIENCE:

1996- to present **Treasure Island Job Corps** San Francisco CA
Culinary Arts Instructor/ Baking

- Provides instructions in Baking, both theory and hands-on
- Provides instructions in making unique baking creations which include a full line of cakes, wedding cakes, muffins, Danish, pastries, sandwiches, pies, tortes and 15 different types of breads.
- Supervises a class which varies between 15 and 25 + students

Owned and managed the following businesses:

- Noe Valley Bakery, San Francisco CA 1989-1994
- Sugar N' Spice Bakery, Burlingame CA 1982-1989
- Baywood Bakery, San Mateo CA 1971-1984

Special Skills: Bi-lingual in German and English

References:

Peter Cutler	(415) 969-4182
Hans Schneidenbach (Baker)	(415) 573-6116
Jack Banks	(415) 573-5941
Manfred Mahler, Sr. (Baker)	(619) 941-7659
William Ling, Sales Representative Westco Products, Inc.	(510) 487-8188

`Ronald Schoenberg
455 Silver Avenue
San Francisco, California 94112
415-337-2698

Objective:

Position in a high school setting that allows me to educate, instruct and motivate young adults in a safe environment for learning. Utilizing my work experience, education and innovative abilities for the benefit of the student and the institution.

Employment:

1998 to present: Culinary Vocational Instructor for Job Corps at Treasure Island, San Francisco, California.

Credentialed instructor for at risk and troubled youth in a vocational school training program. Dedicated to providing knowledge and support to enhance their lives. Overall duties include management of materials in the food service industry, receiving and storage of dry and perishable items under the Federal guidelines of OSHA and ServSafe. Instruction during a 7-hour school day of knife skills, food preparation and planning of menus. Creative presentation of salads, sandwiches, main courses, soups and stocks are served in our dining facility daily. Responsible for maintenance of kitchen stocks, purchasing, disciplinary procedures, federal budgeting, preparation of menus and assist in job placement in accordance to U.S. Department of Labor requirements for necessary culinary skills.

1994-1998: Banquet Conference Manager for Holiday Inn Crown Plaza Burlingame, California.

Organization of monthly and weekly meetings, coordination with food hospitality staff to ensure specification of banquet event and orders are met. Duties also included all function preparation, client meetings and over seeing set up of all functions to ensure guest satisfaction.

Education:

Metropolitan Education, State of California Education, Clear Credential: Food and Beverage Production, Preparation and Service. July 18, 2002

City College of San Francisco Hotel and Restaurant Department Associate Degree 1986

ServSafe Certification 12/05/2005

EMERALD CATERING

Soulful Food...Satisfied Spirits

Emcatering@aol.com

Steven E. Davis
3170 Eastman Lane
Petaluma CA 94952

415-717-7378
707-773-4772

OBJECTIVE: To obtain a position in the Food and Hospitality Industry where I can express my enthusiasm and use my skills in food preparation and events management.

SUMMARY OF EXPERIENCE

The majority of my experience has been as a chef and manager for several high profile catering companies. I have owned and managed my own restaurant. I have also owned and managed my own catering company for the last 15 years in the San Francisco Bay Area. My experience includes planning, purchasing, staff supervision, and recipe development; and executive chef and line chef positions at events with attendance of up to 1000 people. In an extremely competitive environment my company has maintained the highest quality of service and use of the best ingredients in our preparations and presentations.

EMPLOYMENT HISTORY

2005 to present	Culinary Instructor – Treasure Island Job Corp, Culinary Department – Prepare daily lessons for basic culinary arts program and provide instruction for preparing meals for large and small events.
2004 to present	Mentor – California Culinary Academy Externship Program– Provide mentorship to graduates of the Chef program
2003 to present	Resident Chef/Children's Food Program Director – South Berkeley Community Church – Plan, prepare and instruct children ages 6 through 12 to cook and serve nutritious meals.
1990 to present	OWNER/MANAGER – Emerald Catering, a full service Company specializing in gourmet meals with creative food displays and special themes.
1996 to present	OFF SITE CHEF AND PREPARATION – Paula Le Duc Fine Catering - Emeryville, CA Preparation and cooking of gourmet products on site at large weddings and special events located in the Napa/Sonoma Valley.

1993 to 1995	OWNER/RESTAURANT MANAGER - California Creole Café, Yerba Buena Gardens, San Francisco. Principal member of the corporation; duties included design/set-up of café, development of menu, hiring/training/supervising café staff, managing cost controls for goods and labor.
1994 to 1996	CHEF/EVENTS MANAGER – Events, Etc. South San Francisco, CA - Meal preparation and planning for corporate events, wedding and luncheons for groups of 20 to 500 people. Supervised kitchen staff of 10.
1992 to1993	ASSISTANT FOOD DIRECTOR/CONSULTANT – Glide Food Program, Glide Memorial United Methodist Church, San Francisco, CA – Planned nutritional meals for over 1000 people daily, supervised 20 full time employees and volunteers. Responsible for purchasing inventories storage and cost control of all food and equipment. Negotiated in-kind services/donated goods with vendors and private donors.
1991 to 1992	CHEF AND HEADWAITER – R.S.V.P. Catering, Alameda, CA – Responsible for assisting owner in all phases of catered events; prepared menus and meals, supervised staff and shared duties for large events.
1990 to 1992	BANQUET WAITER & SPECIAL EVENTS STAFF – California Culinary Academy Referral Department, San Francisco, CA - Staffed catered events such as the opening of the SF Ballet, Annual Wine Auction for Sonoma County

EDUCATION

Professional Chef Credential
California Culinary Academy
San Francisco, Ca.

Business Administration Major
San Francisco State University
San Francisco, Ca.

CERTIFICATES/AWARDS/ACHIEVEMENT/VOLUNTEER CONTRIBUTIONS.

National Restaurant Applied Food Service Sanitation Certificate
Awards of Appreciation – Howard Thurman Educational Trust and Black Filmmakers Association
South Berkeley Community Church Broad of Trustee
Former member Steering Committee San Francisco Food Net Planning Committee

131 Avington Road
Alameda, CA 94502

(510) 749-7181 home
(510) 410-6271 cell
LAManzo@alamedanet.net

Luiz A. Manzo

Objective

A rewarding teaching position where my creativity, teaching skills and work experience in the foodservice, restaurant and hotel industry can be used to develop future talent.

Qualification Summary

- Experienced culinary instructor and coach
- Demonstrated food service management and leadership abilities
  - Banquets, garde manger, catering, corporate cafes
  - Skilled in inventory and food cost management, menu development, staffing and training
- Broad base of quality experience: Private catering, famous hotels, highly-regarded cafeterias and a world-famous culinary school
- AOS Degree – California Culinary Academy

Experience

February, 2006 – Present — San Francisco, CA

Food and Beverage Instructor

Alutiiq, Contractor to Treasure Island Job Corp Center

Manage Treasure Island Fine Dining, a practical instructional workshop in food and beverage for Job Corp trainees. Management responsibilities include finance, ordering, menu development and student supervision. Educational responsibilities include instruction of courses in safety and sanitation, advanced food and beverage, garde manger, fine dining table service and POS. In this position I also mentor and counsel students.

October, 2004 – January, 2006 — San Francisco, CA

Culinary Instructor/Supervisor

Mission Language and Vocational School

Pioneered the culinary program, researching and developing the curriculum and menus, preparing courses and teaching all culinary subjects. Supervised three teachers. Responsible for food cost control, inventory, ordering and culinary exposition (student fair). Started culinary program with 22 students; now over 150 students.

June 2002 – September 2004

Private Catering

Catering parties of 10-50 people – sales, menu development, setup, ordering preparation, decoration and finances.

June. 2001-May 2002 The Gap, Inc. — San Bruno, CA

Chef-Manager, 901 Grill Café

Managed the 901 Grill Café and a staff of ten, serving 750 Gap employees. Responsible for all aspects (financial, personnel and culinary) of the Café. Successfully revised menu to provide both up-scale cuisine and value-priced items.

2000-2001 California Culinary Academy San Francisco, CA
Contractor
Filled the role of Chef-Instructor for the CCA team-building and continuing education program ("Weekends at the Academy"). Instructed hands-on cooking seminars for groups of twenty students. Additionally, managed all other culinary aspects of the program, including menu development, course planning and staffing. In the additional role of Banquet Sous Chef, led teams of chefs and students in catering banquets and parties of up to 600 people.

1998-2000 Bon Appetit Management Company Belmont, CA
Chef-Manager
Managed the 20 Davis Café at Oracle Corporation, serving approximately 300 meals each day. Responsible for supervising kitchen and dining room staff. Duties included inventory, ordering, food cost management, industrial catering, quality control, menu development and planning, safety and sanitation, staffing and training.

1998 The Ritz-Carlton Hotel San Francisco, CA
Banquet Cook
Member of the hotel banquet team and cook for the staff dining room (Cable Room). Responsible for banquet food preparation and plate assembly. Prepared 600-800 employee meals daily.

Other Experience

Externship	Hilton Hotel and Resort on Mission Bay San Diego, CA
Entrepreneur	Manzo Soccer School San Jose, CA and SLC, UT
Manager	Varig Airlines, Campinas Brazil
Professional Soccer Player	Brazilian National Soccer Team Associaciao Atletica Ponte Preta

Education

- Associate in Occupational Studies in Culinary Arts, California Culinary Academy. October 1997.
- Studies in psychology, San Francisco State University (Senior Status)
- Portuguese and English Studies, Universidade Nossa Senhora do Patriocinio, Campinas Brazil.

Certification

- Certificate of Authorization for Service in a Private Postsecondary and Vocational Institution (COAFS).
- Safety and Sanitation
- Hospitality Human Resources Management
- Basic Cost Control for Foodservice Managers
- Legal Aspects of Foodservice Management
- Nutrition

Jacques Kirk

jacqueskirk@hotmail.com

Current Address:
12 Carmel Court
San Rafael CA 94903

Permanent Address:
12 Carmel Court
San Rafael CA 94903

Phone & Fax: 415.479.3142

EDUCATION:

1968-1969 City College of San Francisco San Francisco CA
AA Degree Hotel & Restaurant Management Completed Program
2004 California Vocational Teaching Certificate-Food & Beverage

EXPERIENCE:

2000- to present **Treasure Island Job Corps** San Francisco CA
Culinary Arts Instructor

- Currently teaching Fine Dining class, the only class that has a restaurant that is open to the public
- Responsible for menu planning and budget of class
- Supervises a class which varies between 5 and 20 + students

2001- to present **Restaurant Consultant** San Rafael CA
Consulting Executive Chef

- Provided expertise in opening two restaurants
- Worked with the owners in all aspects of the opening and maintaining menu quality, purchasing guide lines and set-up working vendor relationships

1995-2000 **Ann Walker Catering** San Anselmo, CA
Production Chef

- Responsible for the preparation of large and small quantities of food products for on site and off site catering
- Menus were as different as the customers from sit down dinners, buffets, business meetings, weddings and other celebrations
- Worked with both six full time and 30 part time employees

1995-2000 **An Affair To Remember Catering** San Rafael CA
On Site Chef and Event Supervisor

- Worked part-time as was required by the business
- All types of events from modest to glamorous
- Supervised staff which varied depending on the size of the event

Interests: Food, Travel, Wine

- The supervisor will be responsible for the truth on the menu, including recipes and prices.



Breakfast Menu

Breakfast Sandwiches:

Croissant cheese	**$3.25**
Croissant ham and cheese, or bacon and sausage	**$3.50**
Wheat, Rye or Sourdough available	**$3.75**

Breakfast Pastry:

Assorted Danishes	**$2.00**
Irish Breakfast - Served with beans, 2 eggs, 2 pancakes, 2 sausages or 3 bacons.	**$6.50**
American Breakfast - With 2 pancakes, 2 eggs, hash browns, 2 sausages or 3 bacons	**$6.50**
2 Pancakes - Served with 2 eggs, 2 sausages or 3 bacons, fresh berry fruits.	**$6.50**

Omelets - **All served with potatoes, toast or bagel and side of fruit salad.**

American - With cheddar, bacon, bell pepper, and scallion.	**$6.50**
French Riviera- With cheese, ham and mushrooms	**$6.50**
Italian Style - with cheese, sun dried tomato, pepperoni and mushrooms	**$6.50**



Lunch Menu

Mirian Vegetable Melody Salad - Green leaves, carrots, tomatoes, olives, and Italian dressing . **$3.00**

Taco Salad - lettuce, pinto beans, ground beef, pico de gallo, guacamole, sour cream, cheese and corn chips **$4.20**

Caesar Salad- Romaine lettuce, parmesan cheese, homemade Caesar dressing **$5.20**
Chicken Caesar

Caprese Salad - Fresh Heirloom tomatoes, basil with mozzarella cheese **$4.50**

Lunch Sandwiches **(all served with potato chips and pickle)**

BLT -Bacon, lettuce and tomato.	**$4.25**
Tuna Melt	**$4.75**
Veggie Burger	**$5.20**
Chicken Salad	**$4.75**
Hamburger	**$5.00**
Cheese Burger	**$5.50**
Hot Dog	**$2.00**



Dinner Menu

Soup of the Day Cup **$1.50** Bowl **$3.00**

Garden Salad - Green leaves, carrots, tomatoes, olives, Italian dressing **$3.00**

Caesar Salad - Romaine lettuce, parmesan cheese and, homemade Caesar dressing. **$ 4.20**

Caesar Salad with Chicken **$5.20**

Chef Special **$6.50**

ENTRÉE

Weekly changed for your best taste and experience!
All served with a choice of Baked Potato, Mash Potatoes or Rice Pilaf
with Assorted Steam Vegetables
$8.00

Seafood Weekly changed for your best taste and experience!

Poultry Weekly changed for your best taste and experience!

Meat Weekly changed for your best taste and experience!

Veggie Weekly changed for your best taste and experience!

PASTA

All served with Ciabatta Bread $8.25

Alfredo Fettuccine
Spaghetti a la Bolognese



Beverages

Coffee	Small $1.00	Large $2.00
Espresso single/ double		$1.50/ $2.50
Latte / with Soy		$2.50/ $3.00
Cappuccino		$2.50
Mocha		$3.50
Milk		$1.00

Fountain Drinks - Free Refill $2.00

Dessert

Cookies		$1.00
Cake		$2.50 a slice
Pie		$3.00 a slice/ a la mode $3.50
Ice Cream	1 scoop $1.00	2 scoops $1.40

Equipment Already on Site

ITEM	COST PER ITEM	TOTAL COST
"Thank You" trash can cabinet	$25.00	$25.00
Flip top trash can	$5.00	$5.00
Wooden Coffee Service Table	$100.00	$100.00
Drink cooler/Display case	$1,250.00	$1,250.00
Sandwich press	$400.00	$400.00
2 Sandwich prep tables	$1,300.00	$2,600.00
12 Metal/plastic inserts	$2.00	$24.00
Stove - Garland 4 burner electric with flat top - installed	$2,500.00	$2,500.00
Hood with ansul system	$4,000.00	$4,000.00
48" Stainless steel work table with flat top – installed	$250.00	$250.00
3 Metro racks		$300.00
3 Large trash cans	$5.00	$15.00
Three compartment sink - installed	$500.00	$500.00
Paper Towel & Toilet paper dispensers – installed	$40.00	$40.00
Green wood table in bathroom	$5.00	$5.00
Milkshake Machine	$150.00	$150.00
9'9" Stainless steel table worktable with bar sink – installed	$500.00	$500.00
True side-by-side fridge	$1,900.00	$1,900.00
True side-by-side freezer	$3,000.00	$3,000.00
Stainless steel hook rack - installed	$10.00	$10.00
2 Fire extinguishers	$50.00	$100.00
2 Exit signs	$10.00	$20.00
Cork board - installed	$10.00	$10.00
GRAND TOTAL		**$17,704.00**
Agreed upon price for items listed above per prior vender $13, 500		

Additional Equipment Funds Needed

ITEM	COST PER ITEM		TOTAL COST
12 Tables w/base 24"x30"	$139.00		$1,668.00
20 Chairs-set of 10 ea.	$399.00	(price per 10ea.)	$798.00
6 Stools	$54.00		$324.00
5 doz. Soup Bowl 9"-14oz.	$69.12	(price per Dozen)	$346.00
8 doz. Dinner plate 9 3/4"	$66.42	(price per Dozen)	$531.00
5 doz .Bread plates 6 1/4"	$37.17	(price per Dozen)	$186.00
5 doz. Coffee mugs 8 1/2oz.	$57.78	(price per Dozen)	$289.00
12 Water pitchers 58oz.	$16.00		$190.00
6 doz. Water Goblets	$66.70	(price per 3 dozen)	$133.00
8 doz. Dinner Fork	$25.50	(price per Dozen)	$204.00
8 doz. Teaspoons	$15.98	(price per dozen)	$128.00
8 doz. Knife	$26.59	(price per dozen)	$213.00
48 Steak Knives	$29.71	(price per 24 ea.)	$59.00
5 doz. Soup spoons	$25.60	(price per dozen)	$128.00
24 Bread Baskets	$26.46	(price per 24 ea.)	$26.00
24 Salt & Pepper shakers	$15.31	(price per 24ea.)	$15.00
5 Coffee servers	$25.00		$127.00
10 Tea Pots Short Sprouts	$3.00		$30.00
12 Creamers	$15.00		$75.00
Door type Dishwasher	$7,850.00		$7,850.00
4 Divided Bus Tub	$13.00		$53.00
6 Catering Trays 19"	$14.00		$79.00
5ft. Café addition	$3,000.00		$3,000.00
Remove & Replace Ramp	$1,000.00		$1,000.00
GRAND TOTAL			$17,453

This the estimated cost for supplies and remolding for Cooks Café.

This is an estimate

Menu Item	Food Cost	Menu Price	FC%	Margin	M%	Q. Sales
Breakfast						
Croissant Cheese w/egg	$0.30	$3.25	9%	$3.55	92%	10
Croissant Ham Cheese +egg	$0.80	$3.50	23%	$4.30	81%	10
Croissant Bacon Sausage +egg	0.80 $	$3.50	23%	$4.30	81%	10
Irish Breakfast	$1.10	$6.50	17%	$7.60	86%	10
American Breakfast	$1.00	$6.50	15%	$7.50	87%	10
Pancakes	$1.15	$6.50	18%	$7.65	85%	10
French Riviera	$1.12	$6.50	17%	$7.62	85%	10
Italian Style	$1.14	$6.50	18%	$7.64	85%	10
Category Total	**$7.41**	**$42.75**	**17%**	$50.16	85%	**80**
Salads						
Garden Salad	$0.36	$3.00	12%	$336	89%	10
Taco Salad	$1.10	$4.20	26%	$530	79%	15
Caprese Salad	$1.15	$4.50	26%	$5.65	80%	10
Caesar Salad	$1.00	$4.20	24%	$5.20	81%	10
Chicken Salad Sandwich	$1.25	$5.20	24%	$6.45	81%	8
Hamburger	$15	$5.00	25%	$6.15	81%	10
Cheese Burger	$1.20	$5.50	22%	$6.70	82%	25
Hot Dog	$0.75	$2.00	38%	$2.75	73%	15
Garden Salad-dinner	0.36$	$3.00	12%	$3.36	89%	20
Caesar Salad	$1.00	$4.20	24%	$5.20	81%	22
Caesar Salad with Chicken	$1.50	$5.20	29%	$6.70	78%	15
Chef Special		$6.50	0%	$6.50	100%	25
Seafood Plate	$1.35	$8.00	17%	$9.35	86%	30
Poultry Plate	$1.15	$8.00	14%	$9.15	87%	25
Meat Plate	$1.00	$8.00	18%	$9.40	85%	10
Veggie Plate	0.78$	$8.00	10%	$8.78	91%	5
Alfredo Fettuccine	0.60$	$8.25	7%	$8.85	93%	10
Spaghetti a la Bolognese	$0.70	$8.25	8%	$8.95	92%	20
Category Total	**$17.00**	**$104.00**	**16%**	$121.00	86%	**308**
175 dinner,&126 for lunch						
Dessert						
Cookies	$0.20	$1.00	20%	$1.20	83%	15
Cake	$0.50	$2.50	20%	$300	83%	35
Pie	$0.65	$3.50	19%	$4.15	84%	25
Ice Cream	$0.20	$1.00	20%	$1.20	83%	25

Cook Café Estimate						
Category Total	**$1.55**	**$8.00**	**19%**	$9.55	84%	100
	LAST YEAR	**%**	**Cook Café Budget**	**%**	**Variance $**	
Sales						
Food Sales	$82,994.32	85%	$90,000.00	92%	$7,005.68	
Beverage Sales:	$14,634.19	15%	$7,810.28	8%		
Total Sales	**$97,628.51**		**$97,810.28**	**100%**	$7,005.68	
COGS						
Food Cost	$34,912.63	42%	$18,170.20			
Beverage Cost	$8,349.76	57%	$24,659.56			
Total Direct Costs	$43,262.39	44%	$42,829.76			
Gross Profit	**$54,366.12**	56%	$54,980.52			
Operating Expenses						
Vocational Instructor	$54,019.15	55%	$54,019.15			
License & Permits Remolding permit cost	$204.41	0%	$1,204.41			
Advertising	$					
Management Fees	$					
General Insurance						
Rent	$5,000.00	5%	$700.00			
Utilities	$7,825.35	8%	$7,825.35			
Maintenance 5 foot addition	$4,234.57	4%	$			
Gas & Electric	$6,826.44	7%	$6,826.44			
Water	$998.91	1%	$998.91			
Garbage	$2,921.02	3%	$2,921.02			
Pest Control	$521.06	1%	$521.06			
Supply Cost	$373.75	0%	$2,791.00			
Total Operating Expenses	$82,924.66	85%	$81,907.34			
Net Income	$(28,558.54)					
Depreciation Expense						
Computer Equipment						
Kitchen Equipment			$24,160.00			
Total Depreciation Expense						
Operating Profit						

Treasure Island Job Corps Center

655 H Avenue, Bldg. 442
Treasure Island
San Francisco, California 94130

phone: 415.277.2400
fax: 415.705.1776

Contract #: DOLJ45A00001
Control 102

October 18, 2007

John Lee, Program Manger
Regional Office of Job Corps
90 7th Street, Suite 12-100
San Francisco, CA 94103

Dear Mr. Lee:

Enclosed is a requested revision of VST Project TI-05-07. This project was approved in the 2007 VST plan and can still be constructed on a smaller, less costly scale. We believe this additional project will provide a broader training experience for our trainees. The opportunity to collaborate on a "real world" project which will provide the Culinary Trainees a public café for work based learning is not usually available.

We have the opportunity for all of the trades to work together to remodel an existing facility. It offers the opportunity for scheduling meetings and a coordinated daily work plan. Weekly "tool box" safety meetings, city building inspections, health department inspections, as well as Architect visits will give the trainees solid experience for future success.

Should you have any question, feel free to contact Chuck Carpenter at (415) 277-2359.

Sincerely,

Anthony Hodge
Program Director

VOCATIONAL PROJECT PROPOSAL

Project ID #	Project Title:	Job Corp Center:	Agency/Contract #:	DOL Region #:	########
TI05-07Rev	Cooks Café	Treasure Island	No.DOLJ45A00001	6	
151 1st St., Treasure Island	Facility Survey ID:	Total STM:	Total VST Cost: 5212.47	Cost/STM: $	7-Dec / 7-Jan

This project offers the opportunity for all of the trades to work together to remodel an existing restaurant at the entrance to Treasure Island. When finished the restaurant will be operated by the Culinary trainees. This will give the trainees an opportunity to work in the same fashion as subcontractors in the building industry.

DETAILED ESTIMATE

(A) FACTORS	Quantity	Unit	COST Other	VST	C & R	CO	TOTAL COST
Architectural Drawing	1	1,000.00					########
2. Agency Technical Services (Cocks')							
3. Motor Vehicle Maintenance/Operation							
4. Equipment Maintenance/Operation							
5. Equipment Rental							
6. Installed Equipment							
7. Materials & Supplies (List below or attach)							
*FOR AGENCY CENTERS – INCLUDE A & E ON LINE #2		TOTALS	$0.00	$0.00	$0.00	$0.00	########

Trade		Quantity	Unit	VST
Carpentry				
	2x6 PT Flr x20'	12	$15 ea	180
	4x8 t&g 3/4 ply	6	$32.50 ea	198
	4x8 1/2 ply	6	$27.00 ea	180
	2x6 #1 fir 12	12	$14.00 ea	154
	2x4 #2btr fir 20'	3	$16.50 ea	49.5
	2x4 #2btr fir 8,'	40	$6.76 ea	270.4
	350 sq ft 15# felt	6	$25.00	150
	4x8 4x12' #1	1	$108 ea	108
	4x8 5/8 sheetrock	18	$8.00 ea	144
	4x8 5/8 T111 8" groove plywood	10	$35 ea	350
	1x4 10' resawn	4	$10 ea	40
	4x4 PT fir 20'	2	$2 lf	80
	4x4 PT fir 8'	12	$2 lf	240
	Composition Shingles	8	30	240

Painting	Primer	5	23.33	116.65
	Dura-poxy Latex paint	5	$22.50 gal	112.5
	Misc.Rollers, brushes, drop cloths, buckets ,tape	various	various	250
	Sheetrock joint tape and finish	various	various	100
Cement				
	Concrete	5 yards	$130 ea	680
	2x6 fir 20'	8	$15.00 ea	120
	1/2' rebar 10'	20	$5.00	100
Electrical	16x48 wrap around fixture	2	$99.25 ea	198.5
	20A switch, wire, 20A receptacles , 1/2 " conduit	various	various	250
	1 40 amp/220 breaker	1	150	150
Facilities Maint	Floor tile	2 cases	$35 es	70
	Adhesive	1	$35.71 ea	71.42

Project ID #	Project Title:	Job Corp Center:	Agency/Contract #:	DOL Region #:	Date:
TI 05-07Rev	Cooks Café	Treasure Island	No.DOLJ45A00001	6	10/8/07

SIGNATURES					
NTC: TRADE AREA:	DATE:	NTC: TRADE AREA:	DATE:	WPA/VST COORDINATOR:	DATE:
NTC: TRADE AREA:	DATE:	NTC: TRADE AREA:	DATE:	CENTER DIRECTOR:	DATE:

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TI 05-07Rev	Cooks Café	Treasure Island	No.DOLJ45A00001	6	10/8/07

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Computer Equipment						
Kitchen Equipment			$24,160.00			
Total Depreciation Expense						
Operating Profit						

AVERY™ RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

Treasure Island Job Corps Center

Job Corps

Building Lives • Reaching Potential

80000 SERIES
10% P.C.W.

SUBLEASE

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

TREASURE ISLAND JOB CORPS

as Subtenant

For the Sublease of

Building 183

Treasure Island Naval Station
San Francisco, California

December 1, 2007

TREASURE ISLAND SUBLEASE

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LIST OF EXHIBITS:

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EXHIBIT C – Cover Page of Seismic Report
EXHIBIT D – Rules and Regulations
EXHIBIT E – Utilities
EXHIBIT F – TIHDI Work Force Hiring Plan

ADDENDUM TO SUBLEASE

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated for reference purposes only as of December 1, 2007, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and TREASURE ISLAND JOB CORPS ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated September 9, 1998, as amended from time to time (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property located on Treasure Island Naval Station (the "Property"), as more particularly described in the Master Lease.

B. Subtenant desires to sublet from Sublandlord, and Sublandlord is willing to sublet to Subtenant, a portion of the Property on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. BASIC SUBLEASE INFORMATION

The following is a summary of basic sublease information (the "Basic Sublease Information"). Each item below shall be deemed to incorporate all of the terms of this Sublease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Sublease, the more specific provision shall control.

Sublease Reference Date:	December 1, 2007
Sublandlord:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation
Subtenant:	TREASURE ISLAND JOB CORPS
Subleased Premises (Section 2.1):	Building 183, consisting of approximately 640 square feet, as more particularly shown on Exhibit B, attached hereto, including the improvements thereon.

Facility (Section 5.3):	Building 183
Term: (Section 4.1):	Commencement date: December 1, 2007 Expiration date November 30, 2008 Notwithstanding anything in this Sublease to the contrary, Sublandlord, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to Subtenant.
Base Rent (Section 5.1):	Early Entry: Commencing December 1, 2007, and ending January 15, 2008, the Subtenant shall be provided Forty- Five (45) days Early Entry for the purpose of making improvements to the Premises. During the Early Entry period, the Subtenant shall pay $0 rent. Commencing January 16, 2008, and ending February 29, 2008, the Subtenant shall be provided Forty-Five (45) days of Rent Waiver for the purpose of training students in operation of the Café. Commencing March 1, 2008, Monthly Rent: Seven Hundred Dollars ($700) Monthly Rent per square foot: One Dollar and Nine Cents ($1.09)
Rent Adjustment Date(s) (Section 5.2):	Upon Renewal, if applicable
Rent Increase Percentage (Section 5.2):	Not Applicable
Subtenant's Proportionate Share (Section 5.3):	One Hundred Percent (100%)

Use (Section 7.1):	Operation of a Café serving the general population of visitors and residents of the Property. The Café will be operated by Job Corps students and staff, and will serve as a vocational program for culinary arts. Hours of Operation will be 7AM to 3PM and 5PM to 8:30PM Tuesdays through Fridays. On Saturdays, the Café will be open from 7AM to 2PM and reopen from 5PM to 9PM. Sunday Brunch will be served from 10AM to 3PM. The Café will be closed on Mondays for clean up and maintenance. Students will operate the Café, however, at least one faculty member will be present to provide instruction and training during all operating hours. A full menu, including Breakfast, Lunch and Dinner, will be served Tuesday through Saturday, with a Brunch on Sundays.
Repair Amount (Section 13.1):	Ten Thousand Dollars ($10,000)
Amount of All Risk Property Insurance Coverage (Section 17.1(e)):	Full Replacement Value
Security Deposit (Section 19.3):	One Thousand Four Hundred Dollars ($1,400)

Notice Address of Sublandlord (Section 21.1):	Treasure Island Development Authority Treasure Island Project Office 410 Avenue of Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn: Mirian Saez Director of Island Operations Fax No.: 415-274-0299 with a copy to: Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Eileen M. Malley Fax No.: (415) 554-4755
Notice Address of Subtenant (Section 21.1):	Treasure Island Job Corps 665 H Avenue, Bldg 442 Treasure Island San Francisco, Ca. 94130 Attn: Mr. Benjie Williams, Center Director Fax No.: 415.705.1776
Notice Address of Master Landlord (Section 21.1):	Department of The Navy Base Realignment and Closure Program Management Office West 1455 Frazee Road, Suite 900 San Diego, CA 92108-4310 Fax #: (619) 532-9858
Other Noteworthy Provisions (Addendum Section 22.22)	**–Reporting Requirements**

2. PREMISES

2.1. **Subleased Premises**. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises. Subtenant shall have the non-exclusive right to use, together with other subtenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility

and the Property.

In the event Subtenant uses or occupies space outside the Premises without the prior written consent of Sublandlord (the "Encroachment Area"), then upon written notice from Sublandlord ("Notice to Vacate"), Subtenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Subtenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Sublandlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably determined by Sublandlord (the "Encroachment Area Charge"). If Subtenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Sublandlord of the Encroachment Area Charge be deemed a consent by Sublandlord to the use or occupancy of the Encroachment Area by Subtenant or a waiver (or be deemed as waiver) by Sublandlord of any and all other rights and remedies of Sublandlord under this Sublease (including Subtenant's obligation to indemnify, defend and hold Sublandlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Two Hundred Dollars ($200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Sublandlord determines during subsequent inspection(s) that Subtenant has failed to vacate the Encroachment Area, then Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Three Hundred Dollars ($300.00) for each additional Notice to Vacate, if applicable, delivered by Sublandlord to Subtenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Sublandlord will incur by reason of Sublandlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Subtenant's failure to comply with the applicable Notice to Vacate and Sublandlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Sublandlord under this Sublease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Sublandlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 16 below shall also apply to Subtenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Subtenant shall additionally indemnify, defend and hold Sublandlord harmless from and against any and all loss or liability resulting from delay by Subtenant in so surrendering the Encroachment Area including, without limitation, any loss or liability resulting from any claims

against Sublandlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Sublandlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: _____Sublandlord_____Subtenant

2.2. As Is Condition of Premises.

(a) Inspection of Premises. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) As Is; Disclaimer of Representations. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving

the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) Seismic Report. Without limiting Section 2.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

3. COMPLIANCE WITH MASTER LEASE

3.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein.

3.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities or HVAC services, or the performance of any other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities or HVAC services, or the performance of any of Master Landlord's obligations under the Master Lease.

3.3. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

3.4. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of

any rights of termination reserved by or vested in the Master Landlord.

4. TERM

4.1. **Term of Sublease**. The term of this Sublease (the "Term") shall commence on the Commencement Date set forth in the Basic Sublease Information, and expire on the Expiration Date set forth in the Basic Sublease Information, unless sooner terminated pursuant to the terms of this Sublease.

4.2. **Effective Date**. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

4.3. **Automatic Termination**. If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

4.4. **Termination by Sublandlord**. Subtenant's period of occupancy of the Premises is subject to Sublandlord's right to terminate this Sublease as provided herein at such time as Sublandlord determines, in its sole discretion, that the Premises are needed in connection with a Sublandlord program or project. As used herein, "Sublandlord program or project" shall mean any development or renovation, by public and/or private parties, of the building or land in or on which the Premises are located. In the event of any such development or renovation, Sublandlord shall have the right to terminate this Sublease without liability or expense upon delivery to Subtenant of thirty (30) days prior written notice of such termination. Subtenant agrees and shall be required to surrender possession of the Premises by the end of such thirty (30) day period.

4.5. **No Relocation Assistance; Waiver of Claims**. Subtenant acknowledges that it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S. C. 4601 et seq. ("URA"), and that Subtenant will not be entitled to any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Subtenant's Lease and Subtenant's relocation from the Premises. Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers,

directors and employees, agents, contractors and successors and assigns and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.).

Initials: _____ Subtenant

5. **RENT**

5.1. Base Rent. Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord Base Rent in the amount set forth in the Basic Sublease Information. Base Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 21.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

5.2. Adjustments in Base Rent. If this Sublease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Sublease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

5.3. Subtenant's Proportionate Share of Expenses. As used in this Sublease, "Expenses" shall mean the total costs and expenses paid or incurred by Sublandlord in connection with the ownership, operation, maintenance, management and repair of the Premises and/or the Facility or any part thereof, including, without limitation, all the following items: Common Area Expenses, Maintenance and Repair Expenses, Life Safety Costs, Management and Administration Expenses, Insurance Expenses and Utility Expenses. "Expenses" shall specifically exclude the following items: (a) depreciation and other "non-cash" items; (b) capital expenditures that (i) are not required by any Laws, (ii) do not significantly improve the operating efficiency of the Premises or the Facility, (iii) are not necessary to achieve cost savings, avoidance of cost increases, or both with respect to the Premises or the Facility, or (iv) are not necessary for the health, welfare and safety of the tenants of the Premises or the Facility; (c) costs for which Sublandlord is actually reimbursed (i) by any subtenant or occupant of the Facility, or (ii) by insurance by its carrier or any tenant's carrier or by anyone else; (d) any bad debt loss, rent loss, or other reserves of any kind or nature; (e) costs incurred by Sublandlord for the repair of damage to the Premises or the Facility, to the extent that Sublandlord is reimbursed in insurance proceeds; (f) cost of all damage to the Premises or the Facility due to casualty governed by Section 13 below, if covered by insurance; and (g) the wages, salaries and other compensation and benefits, including taxes levied thereon, of employees above the level of Facilities Manager,

and the same of employees who do not devote substantially all of their employed time to the Facility unless such wages and benefits are prorated to reflect time spent on operating and managing the Facility vis-à-vis time spent on matters unrelated to operating and managing the Facility.

As used in this Sublease, "Common Area Expenses" shall mean all costs to operate, maintain, repair, replace, supervise, insure and administer the Common Areas including, without limitation, supplies, materials, labor and equipment used in or related to the operation and maintenance of the common areas, sprinkler systems, sidewalks, walkways, driveways, curbs, lighting systems and security services, if any, provided by Sublandlord for the Common Areas. As used in this Sublease, "Insurance Expenses" means the cost of all insurance carried by Sublandlord on the Premises and/or the Facility or any part thereof or interest therein, including, without limitation, premiums for "all risk" fire and extended coverage insurance, commercial general liability insurance, rent loss or abatement insurance, earthquake insurance, flood or surface water coverage, and other insurance as Sublandlord deems necessary in its sole discretion, and any deductibles paid under policies of any such insurance. The foregoing shall not be deemed an agreement by Sublandlord to carry any particular insurance relating to the Premises or the Facility. As used in this Sublease, "Life Safety Expenses" shall mean all costs to install, maintain, repair and replace all life safety systems, including, without limitation, all fire alarm systems, serving the Premises and/or the Facility or any part thereof (including all maintenance contracts and fees payable to life safety consultants) whether such systems are or shall be required by Sublandlord's insurance carriers, Laws or otherwise. As used in this Sublease, "Maintenance and Repair Expenses" shall mean all costs to maintain, repair, and replace the Premises and/or the Facility or any part thereof and the personal property used in conjunction therewith, including, without limitation, (i) all costs paid under maintenance, management and service agreements such as contracts for janitorial, security and refuse removal, (ii) all costs to maintain, repair and replace the roof coverings of the Premises or the Facility or any part thereof, (iii) all costs to maintain, repair and replace the plumbing, electrical, fire protection, life safety, security and other mechanical, electrical, communications systems of the Facility, (iv) the cost of all cleaning and janitorial services and supplies, if any, and (v) the cost of maintenance, depreciation and replacement of machinery, tools and equipment (if owned by Sublandlord) and for rental paid for such machinery, tools and equipment (if rented) used in connection with the operation or maintenance of the Facility. As used in this Sublease, "Management and Administration Expenses" shall mean all costs for management and administration of the Premises and/or the Facility or any part thereof, including, without limitation, a property management fee, accounting, auditing, billing, postage, salaries and benefits for all employees and contractors below the level of senior project manager engaged in the management, operation, maintenance, repair and protection of the Facility, whether located in the Facility or off-site, payroll taxes and legal and accounting costs, fees for licenses and permits related to the ownership and operation of the Facility, and office rent for the Facility management office or the rental value of such office if it is located within the Facility. As used in this Sublease, "Utility Expenses" shall mean the cost of all electricity, water, gas, heat, sewers, oil and other utilities, including any surcharges imposed, serving the Premises, the Facility or any

part thereof that are not separately metered to Subtenant or any other subtenant.

5.4. Additional Charges. In addition to Base Rent, Subtenant shall pay Subtenant's Proportionate Share of any and all Expenses, plus all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Subtenant under this Sublease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

5.5. Late Charge. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

5.6. Default Interest. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

6. TAXES, ASSESSMENTS AND OTHER EXPENSES

6.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) Payment Responsibility. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) Taxability of Possessory Interest. Without limiting the foregoing, Subtenant recognizes

and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) No Liens. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information**. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

6.2. **Evidence of Payment**. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

7. USE; COVENANTS TO PROTECT PREMISES

7.1. Subtenant's Permitted Use. Subtenant may use the Premises for the Permitted Use set forth in the Basic Sublease Information, but for no other purpose without the prior written consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion.

7.2. Subtenant's Access to the Premises. As provided in Section 30 of the Master Lease, Subtenant shall have access to the Premises on a 24-hours per day, seven days a week basis; provided, however, Subtenant shall coordinate such access with the local representative of Master Landlord.

7.3. Rules and Regulations. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time.

7.4. Easements. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or

property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

7.5. No Interference with Navy Operations. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Subtenant's use of the Premises in the event of any conflict; provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

7.6. No Unlawful Uses, Nuisances or Waste. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

8. ALTERATIONS

8.1. Alterations. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

8.2. Historic Properties. Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Master Landlord's and Sublandlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

8.3. Ownership of Alterations. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 8 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 19 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 8.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

8.4. Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant, subject to the provisions of Section 19 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

8.5. Sublandlord's Alterations. Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

9. REPAIRS AND MAINTENANCE

9.1. Subtenant Responsible for Maintenance and Repair. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

9.2. Utilities. Sublandlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

9.3. Landscaping. Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair.

9.4. Janitorial Services. Subtenant shall provide all janitorial services for the Premises.

9.5. Pest Control. Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

9.6. Trash. Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit F. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

9.7. No Right to Repair and Deduct. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any

part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

10. LIENS

10.1. Liens. Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

11. COMPLIANCE WITH LAWS

11.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, and all present and future Environmental Laws (as defined in this Sublease below) and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

11.2. Regulatory Approvals.

(a) **Responsible Party**. Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

11.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

12. ENCUMBRANCES

12.1. Encumbrance By Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

13. DAMAGE OR DESTRUCTION

13.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 17 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 19 (except for damage caused by a casualty pursuant to which this Sublease may be terminated under this Section 13.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 13.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 8.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

13.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 13.1 above, there shall be no abatement in the Rent payable hereunder.

13.3. Waiver. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

14. ASSIGNMENT AND SUBLETTING

14.1. Restriction on Assignment and Subletting. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion. Subtenant shall provide Sublandlord with a written notice of its intention to Transfer this Sublease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Subtenant shall provide Sublandlord with such information regarding the proposed Transfer as Sublandlord may reasonably request.

14.2. Bonus Rental. If Sublandlord consents to a Transfer of any of Subtenant's interest in or rights with respect to the Premises pursuant to Section 14.1 above, then one hundred percent (100%) of any rent or other consideration payable to Subtenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Sublandlord immediately upon receipt by Subtenant.

15. DEFAULT; REMEDIES

15.1. Events of Default. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) Failure to Pay Rent. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due.

(b) Covenants, Conditions and Representations. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease; provided, Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord.

(c) Vacation or Abandonment. Any abandonment of the Premises for more than fourteen (14) consecutive days

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted.

(e) Notices of Default. The delivery to Subtenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Subtenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Sublease allowing the Authority to immediately terminate this Sublease without further notice or demand to Subtenant.

15.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages**. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) Appointment of Receiver. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

15.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

16. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

16.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not

take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Sublease the Premises to Subtenant,

regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 16.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

16.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of

the Premises or any Alterations; (e) any construction or other work undertaken by Subtenant on or about the Premises; and (f) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

17. INSURANCE

17.1. Required Insurance Coverage. Without in any way limiting Subtenant's liability under Section 16 above, Subtenant, at its sole cost and expense, shall maintain, or cause to be maintained, throughout the Term of this Sublease, the following insurance:

(a) General Liability Insurance. Comprehensive or commercial general liability insurance, with limits not less than Three Million Dollars ($3,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars ($1,000,000), explosion, collapse and underground (XCU).

(b) Automobile Liability Insurance. If any automobiles or any other motor vehicles are operated in connection with Subtenant's activity on the Premises or the permitted use under Section 17.1 above Comprehensive or business automobile liability insurance with limits not less than One Million Dollars ($1,000,000.00) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability.

(c) Worker's Compensation and Employer's Liability Insurance. If Subtenant has employees, Worker's Compensation Insurance with Employer's Liability limit not less than One Million Dollars ($1,000,000.00) for each accident, injury or illness, on employees eligible for each.

(d) Personal Property Insurance. Subtenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement

value. The proceeds from any such policy shall be used by Subtenant for the replacement of Subtenant's personal property.

(e) **All Risk Property Insurance**. All risk property insurance insuring the Premises including, without limitation, any improvements, Alterations, furniture, fixtures and equipment located thereon, in an amount not less than the Amount of All Risk Property Insurance Coverage set forth in the Basic Sublease Information.

(f) **Other Coverage**. Such other insurance as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

17.2. **Claims-Made Policies**. If any of the insurance required in Section 17.1 above is provided under a claims-made form of policy, Subtenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Sublease, to the effect that should occurrences during the Term give rise to claims made after termination of this Sublease, such claims shall be covered by such claims-made policies.

17.3. **Annual Aggregate Limits**. If any of the insurance required in Section 17.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

17.4. **Payment of Premiums**. Subtenant shall pay the premiums for maintaining all required insurance.

17.5. **Waiver of Subrogation Rights**. The parties release each other, and their respective authorized representatives, from any claims for damage to the Premises or to the fixtures, personal property, improvements or Alterations of either Sublandlord or Subtenant in or on the Premises which are caused by or result from risks insured against under any property insurance policies carried by the parties and in force at the time of any such damage, to the extent such claims for damage are paid by such policies. Each party shall cause each property insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against the other party in connection with any damage covered by any policy.

17.6. **General Insurance Matters**.

(a) All liability insurance policies required to be maintained by Subtenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF THE NAVY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be

primary to any other insurance available to the additional insureds with respect to claims arising under this Sublease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies required to be maintained by Subtenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Sublandlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Subtenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Subtenant and Sublandlord. Such notice shall be given in accordance with the notice provisions of Section 21.1 below.

(d) Subtenant shall deliver to Sublandlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Sublandlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Subtenant shall, upon Sublandlord's request, promptly furnish Sublandlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Sublandlord may require Subtenant to increase the insurance limits set forth in Section 17.1 above if Sublandlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Subtenant with respect to risks comparable to those associated with the use of the Premises.

(f) Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

(g) Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

18. ACCESS BY SUBLANDLORD

18.1. Access to Premises by Sublandlord.

(a) **General Access**. Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any

purpose.

(b) **Emergency Access**. In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability**. Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

18.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

19. SURRENDER

19.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 8.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980, et seq., of the California Civil Code or in any other manner allowed by Law.

19.2. **No Holding Over**. If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

19.3. **Security Deposit**. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount set forth in the Basic Sublease Information as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 20.3, Sublandlord shall return such security deposit to Subtenant within forty-five (45) days of the termination of this Sublease.

20. HAZARDOUS MATERIALS

20.1. **No Hazardous Materials**. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA",

also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Subtenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan, and with the requirements of the environmental protection provisions provided for in Section 13 of the Master Lease.

20.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 20.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 16.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease

and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

20.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

21. GENERAL PROVISIONS

21.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Sublease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this

Section 21.1 and applicable Laws, shall be deemed receipt of such notice.

21.2. No Implied Waiver. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

21.3. Amendments. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

21.4. Authority. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

21.5. Joint and Several Obligations. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

21.6. Interpretation of Sublease. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any

part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

21.7. Successors and Assigns. Subject to the provisions of Section 14, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

21.8. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

21.9. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

21.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

21.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and

that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

21.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

21.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

21.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

21.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

21.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

21.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

21.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

21.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

21.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

21.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord.

22. SPECIAL PROVISIONS

22.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

22.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

22.3. **TIHDI Job Broker.** Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

22.4. **Local Hiring.** Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

22.5. **Non-Discrimination in City Contracts and Benefits Ordinance.**

(a) **Covenant Not to Discriminate.** In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) **Sub-Subleases and Other Subcontracts.** Subtenant shall include in all sub-subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such sub-subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all sub-subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all sub-subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) **Non-Discrimination in Benefits.** Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **HRC Form.** As a condition to this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human

Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-128-101 with supporting documentation; and (ii) the HRC approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

22.6. **MacBride Principles - Northern Ireland**. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

22.7. **Tropical Hardwood and Virgin Redwood Ban**. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

22.8. **Conflicts of Interest**. Subtenant states that it is familiar with the provisions of Section 8.105 and 8.106 of the San Francisco Charter and certifies that it knows of no facts which would constitute a violation of such provisions. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful failure by Subtenant to make such disclosure, if any, shall constitute grounds for the

Sublandlord's termination and cancellation of this Sublease.

22.9. Wages and Working Conditions. Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

22.10. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Sublandlord or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

22.11. Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which **(i)** prohibit the use of certain pesticides on City property, **(ii)** require the posting of certain notices and the maintenance of certain records regarding pesticide usage and **(iii)** require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that **(a)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, **(b)** describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and **(c)** identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

22.12. First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Subtenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

22.13. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

22.14. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord.

22.15. Charter Provision. This Sublease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

22.16. Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Sublease as though fully set forth. The text of the HCAO is available on the web at www.dph.sf.ca.us/HCRes/Resolutions/2004Res/HCRes102004.shtml. Capitalized terms used in this Section and not defined in this Sublease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such

period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Subtenant shall provide Sublandlord with access to records pertaining to compliance with the HCAO after receiving a written request from Sublandlord to do so and being provided at least five (5) business days to respond.

(j) Sublandlord may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with Sublandlord when it conducts such audits.

(k) If Subtenant is exempt from the HCAO when this Sublease is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000) (or [Fifty Thousand Dollars ($50,000) if Subtenant is a qualified nonprofit), but Subtenant later enters into an agreement or agreements that cause Subtenant's aggregate amount of all agreements with Sublandlord to reach

Seventy-Five Thousand Dollars ($75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Subtenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

22.17. Notification of Limitations on Contributions. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

22.18. Preservation-Treated Wood Containing Arsenic. As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

22.19. Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

22.20. Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San

Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

22.21. **Estoppel Certificates**. At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Sublease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Sublandlord. Sublandlord and Subtenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Sublandlord's interest in the Master Lease or this Sublease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Subtenant irrevocably appoints Sublandlord, as Subtenant's agent, to execute and deliver in the name of Sublandlord any such instrument if Subtenant fails to do so, which failure shall also be an Event of Default under this Sublease.

22.22. **Addendum**. The terms of the Addendum attached to this Sublease are incorporated into the Sublease by reference. In the event of any inconsistency between the Sublease and the Addendum, the terms of the Addendum shall control.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

Treasure Island Job Corps

By: _____
Mr. Benjie Williams
Its: Center Director

SUBLANDLORD:

Treasure Island Development Authority

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

EXHIBIT A

MASTER LEASE

EXHIBIT B

DIAGRAM OF PREMISES

EXHIBIT C

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT D

RULES AND REGULATIONS

1. All rules and regulations set out in the Master Lease shall prevail.

2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Sublandlord.

3. Subtenant's contractors and invitees, while on the Premises or Subtenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Sublandlord and its agents, but will not be an agent or contractor of the Sublandlord or its agents. Subtenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Sublandlord.

4. Subtenant shall install and maintain at Subtenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

EXHIBIT E

STANDARD UTILITIES AND SERVICES AND RATES

x

Utilities Rate Schedule

Utility Service	Rate	Unit
Electric Rate	$ 0.14	per kwh
Water Rate	$ 5.40	per kgal
Sewer Rate	$ 5.75	per kgal
Gas Rate	$ 0.60	per therm

Rates are subject to adjustment.

Subtenant shall install utility Submeters to the satisfaction of Sublandlord.

Subtenant shall arrange for delivery of utility services to the premises by making a "Request for Utilities Services" by contacting:

San Francisco Public Utilities Commission
c/o Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mr. Vic Zorzinsky
(415) 274-0333

EXHIBIT F

TIHDI WORKFORCE HIRING AGREEMENT

ADDENDUM TO SUBLEASE
BETWEEN
THE TREASURE ISLAND DEVELOPMENT AUTHORITY
AND
TREASURE ISLAND JOB CORPS

This is an Addendum to the Sublease dated as of December 1, 2007, between the Treasure Island Development Authority ("Sublandlord"), and Treasure Island Job Corps ("Subtenant"), relating to certain premises described in the Sublease.

This Addendum supersedes and replaces the terms of the Sublease to which it is attached to the extent of any inconsistency between the Sublease and this Addendum. All capitalized terms used in this Addendum and not defined herein shall have the meanings set forth in the Sublease.

Sublandlord and Subtenant agree as follows:

1. New Section 22.23. A new Section 22.23 is hereby added to the Sublease, which states in its entirety as follows:

> "22.23 Reports. Beginning March 1, 2008, Subtenant shall submit to Sublandlord reports of Café operations as requested, but no less than quarterly. Such reports shall include but not be limited to an accounting of revenues earned and expenditures made in the operation of the Café. The reports shall be in a form reasonably acceptable to Sublandlord.

AGENDA ITEM 10
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 14, 2007

Subject: Resolution Authorizing the Director of Island Operations to Execute the Sublease between the Treasure Island Development Authority and San Francisco Gaelic Athletic Association (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND:

The San Francisco Gaelic Athletic Association (the "SFGAA") trains San Francisco youth and residents in the sport of Irish football. The mission of the SFGAA is to expand the reach of the traditional Irish sports and to foster regional and local sports competitions.

The SFGAA has asked Project Staff for fields on Treasure Island to be developed as Irish Football fields. Project Staff has identified two sites suitable for development as athletic fields.

Site #1 is a 55,000 square foot field bounded by Avenue H, California Avenue, Avenue F and 3rd Street. It is across the street from the current rugby field. While the site can be developed as a field for Irish Football and has the advantage of being in the immediate vicinity of the rugby field, the Phasing Plan indicates the area will be significantly affected by both Phase I and Phase II of the Development Program.

Site #2 consists of three lots ranging in size from about 50,000 to 75,000 square feet. The fields are bounded by 13th Street, Avenue E, 11th Street and Avenue I. These sites can also be developed as athletic fields. They have the advantage of being adjacent to the residential neighborhood on Treasure Island, thereby providing residents easy access to a recreational facility. The fields are also within a block of the gymnasium and the Boys & Girls Club.

The cost to develop the fields is still under review. However, San Francisco Golden Gate Rugby Club developed the 54,000 square foot field that they occupy at a cost of $85,000 or about $1.55 psf. This indicates that the cost to develop fields for SFGAA at either site can range from $80,000 to $120,000. Annual maintenance costs will range from $10,000 to $15,000 per year based on the experience of San Francisco Golden Gate Rugby.

In accord with the appraised rental value for the sites identified as potential sites for the SFGAA, the Interim Subleasing Policy has established a minimum acceptable rental rate of $0.05 psf for use of the sites as industrial yards. This indicates a revenue potential of $35,000 per year for Site #1. Individual lots at Site #2 have an appraised fair rental value of $30,000 to $45,000 per year. The close proximity of the Site #2 lots to the residential community, however, renders them unsuitable for industrial yards. But, they are suitable for development as athletic fields. According to the Carneghi-Blum Market Rent Appraisal, athletic fields have no rental value.

SFGAA has requested a Sublease that would allow them to improve a portion of Site #2 as an athletic field. The exact location of the premises will be determined prior to the execution of the Sublease. According to current SFGAA development concepts, materials will be placed on top of the land and held in place by a perimeter barrier. Excavation will be minimized to limit the possibility of encountering subsurface hazardous materials. The resulting athletic fields will suitable for training and play.

SF Golden Gate Rugby, SF Netball Association and San Francisco Little League are provided field space on Treasure Island at zero cost, subject to the condition that the clubs develop their facilities, assume all responsibility for maintenance and repairs and contribute to the community by reaching out to Treasure Island residents to introduce them to the sport and by making facilities, training and athletic events available to the Treasure Island community for free. SFGAA offers to provide the same benefits to the Treasure Island community.

FINANCIAL IMPACT

Neither revenue, nor capital expenditures were budgeted for the fields for FY 07-08. This transaction will have no impact on the FY 07-08 budget.

RECOMMENDATION

Project staff recommends approval of the Resolution Authorizing the Director of Island Operations to Execute the Sublease between the Treasure Island Development Authority and SFGAA at no cost to the Authority and at a rental rate of zero dollars. The Sublease will allow SFGAA to develop an athletic recreational facility adjacent to the residential community. SFGAA will assume all responsibility for maintenance and repairs to the athletic field. They will introduce the community to the sport of Irish Football. By making facilities, training and athletic events available to the Treasure Island community for free the development of the Irish Football fields will benefit the greater Treasure Island community.

EXHIBITS

EXHIBIT A – Sublease between the Treasure Island Development Authority and the San Francisco Gaelic Athletic Association.

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations







Treasure Island Sports Complex Development

A joint proposal from the Gaelic Athletic Association, Irish Football Youth League, and Golden Gate Rugby Football Club

www.sfgaa.org
www.ifyl.org
www.sfggrfc.com

Introduction



The Gaelic Athletic Association (GAA) in San Francisco is governed by the Western Division Board (WDB), which is affiliated to the GAA in Ireland, the worldwide governing body of Gaelic Games.

The Golden Gate Rugby Club was formed in 1988 via the merger of two clubs, and entered Division 1. Fall 2005 marked the beginning of a new chapter in SFGG history with the opening of the dedicated field-side clubhouse and new pitch on Treasure Island. SFGG now has one of the finest facilities in American rugby.



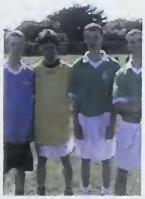
The two organizations would like to work together to develop land on Treasure Island adjacent to the ground currently used by the GGRFC for use in the promotion of our respective adult games and youth programs. This is necessary partly because of the special needs of both organisations since both codes require a much larger field than soccer, and partly because of the massive growth in soccer in recent years that has put enormous demand on municipal facilities.



This project offers a number of benefits to the city:

- Reduced pressure on municipal soccer fields since one regulation Gaelic field occupies two soccer fields
- Immediately visible regeneration of an otherwise derelict urban area
- Strengthening of the city's cultural and social life by giving a major boost to its sporting and cultural organisations
- Generation of extra social capital on the island through increased participation by the local community, particularly the youth, in healthy sporting pastimes
- More time spent by people occupying the area in large numbers and preventing the social problems that frequently arise when areas are left empty and unattended for long periods





About the Gaelic Athletic Association in San Francisco



The San Francisco GAA is a voluntary organization that carries out an incalculable amount of community work in the Bay Area, all of which takes place in the spare time of its members.

It consists of:

- The Western Division Board
- Ten Mens' Gaelic Football clubs
- Three Hurling clubs
- Four Ladies' Gaelic Football clubs
- One Camogie (Ladies' Hurling) club
- The Irish Football Youth League (IFYL), the largest and strongest GAA youth program in the country



The activities of the SFGAA ranges from charity fundraisers, to youth coaching and games development, to competitive games culminating in participation in national finals every year.



The Irish Football Youth League is a major player in keeping children occupied, fit, and healthy. It boasts a thriving league in San Francisco as well as a strong program operating in Burlingame. The youth program is currently undergoing massive growth thanks to the games now being started in schools and the YMCA. The number of participants in the current academic year is as follows:



YMCA Schools PE	3,900
CYO Schools PE	12,000
Rhythm & Moves Schools PE	60,000
Total	**75,900**

The projected number of participants in the 2008/2009 academic year is as follows:



YMCA Schools PE	4,000
CYO Schools PE	14,000
Rhythm & Moves Schools PE	100,000
Total	**118,000**

At adult level, every summer, scores of young Irish people, mostly students, flock to San Francisco. Many use the support network of the GAA to help get them established when they arrive.



History of the SFGAA



Gaelic Football game at Beach Chalet Playing Fields, Golden Gate Park. 1950s.

Gaelic Games in San Francisco have been at the heart and soul of Irish sporting, social, and cultural life since the early 1850s. Organized hurling and gaelic football games were played in Hayes Park, the city's first public recreational grounds (the site of the present Civic Center) as early as 1854. Irish and European American settlers continued playing Gaelic games in the heart of the city until they moved to the newly developed Golden Gate Park towards the end of 1880's. Fields at Beach Chalet and the Polo Fields were popular destinations to see games at the weekend.







Following the establishment of the Gaelic Athletic Association in Ireland in 1884, Gaelic Games were standardized and organized into competitive leagues. In 1959 the San Francisco hurling team won the inaugural North American Senior hurling championship beating the North-East Boston team before a crowd of 5000 people at Boxer Stadium.



Boxer Stadium has been synonymous with Gaelic Games in the city since the 1950s when it was designated for the playing of Gaelic Games and Soccer only.

Handball, another GAA sport, has an equally long history in the city. The handball courts at Golden Gate Park were built by the City of San

Francisco with money donated by John Condon, who was of Irish decent, and the McEntee Family in the late 1950's. Both Condon and the McEntees were handball enthusiasts who lived in San Francisco. A plaque is dedicated in their honor at the Golden Gate Park courts.

Proposal for Treasure Island



The GGRFC has already developed land on the island that would otherwise have been left lying idle, and a clubhouse and top quality playing field is now in place. The Western Division Board would like to add to this by developing two additional playing fields, building this facility up to a sports complex that will be utilized year-round.



This arrangement is mutually beneficial to both organisations because of the minimal overlap of the playing seasons.

The size of the playing area to be developed is 146,000 sq. ft with an appropriate fence around the outside. Work on this could commence upon approval.

Also, to better accomodate all of our activities, part of this plan would include using approximately 2000 to 5000 sq. ft of the Nimitz Center, on the side adjacent to the proposed playing field.

Funding

Funding and labor for this project will come from the GAA. The value that we are offering to the city is a development worth approximately $1.46M.

Rhythm and Moves Inc.
An Innovative Approach to Physical Education & Music Education

Monday, September 17, 2007

On behalf of Rhythm and Moves I personally want to thank you and Paul Bayly for providing the opportunity to introduce over 60,000 students a year to the sport of Gaelic Football.

Rhythm and Moves, Inc. was founded in 1984. The physical education curriculum has evolved over the last 24 years with the help of more than 200 schools and the real life experiences of over 200 teachers. This year 2007-08 we began teaching Gaelic Football to our Jr. High population. We will be integrating the skills and concepts in the elementary grades within the next three years.

We begin each school year with workshops designed to give our staff information and teaching tools that can be integrated into their lessons. Paul Bayly created and conducted three workshops, introducing our staff to Gaelic football and the curriculum during our workshops held August 22, 2007. Paul will also be providing ongoing support to the 80 physical educators who will be teaching in the 120+ schools that are using the Rhythm and Moves physical education program this year. (Please see enclosed sheet).

As a part of the ongoing support to our physical educators, lessons are provided to the instructors implementing the Rhythm and Moves, Inc. curriculum. These lessons are included to aid the teacher in finding ways to encourage critical thinking and involve a variety of learning styles during their lessons. Paul will be providing the Gaelic Football lessons and Unit Plans. The Jr. High (11yr. – 14yr. old) students will begin this year with the grade six lessons. Next year we will introduce the seventh grade and the following year the students who have begun this year with the Gaelic curriculum will be working toward the benchmarks for Eighth grade physical education.

Our philosophy includes having enough equipment for every child to participate at the same time. We are very grateful for the additional equipment made available to us when we decided to integrate the Gaelic Football program. The excitement of a new sport will certainly motivate our students. Introducing new sports and activities allow us to start with a level playing field since most of the students will be starting from step one with this new sport. An inherent advantage of teaching Gaelic Football is the presence of so many familiar skills; students will certainly find at least one sport that they can identify with to help with transference of learning. Sports such as Soccer, Football, Basketball and Volleyball are very familiar to our students and have similar skills.

Our program continually evolves to include the personality and dialogue from individual teachers, students, parents and communities. We are constantly looking for ways to bring pieces of the world to our students who might not experience that culture otherwise. Integrating Gaelic Football is another way to accomplish that. One advantage of introducing the students to Gaelic Football in the Bay Area is the opportunity for our students to play and see it out in the community. Given the number of students we will impact, I am very excited that there will be an outlet for the students to utilize their new found skills and play a game that will benefit their cardiovascular systems and provide a social outlet. We recognize it is one of the roles of our company to share the wealth of knowledge that, as a company, we have acquired through our 24 years of working with dedicated physical and music education specialists. As long as we are providing physical education we will stay focused on what is best for our students and we will continue to look for ways to provide that information to our communities and fellow educators. Thanks for giving our students this wonderful opportunity.

Sincerely,

Sharon Bogg

Schools Utilizing Rhythm & Moves

All Saints School
All Souls School
Allen School
Argonaut Elementary School
Assumption School
Baker School
Belle Air Elementary School
Blackford Elementary School
Campbell Union School District
Capri Elementary School
Castlemont Elementary School
Clifford School
Corpus Christi School
Country Lane School
Crestmoor Elementary School
Easterbrook -Discovery School
El Crystal School
Foothill Elementary School
Green Hills School
Henry Ford School
Holy Family Educational Center
Holy Rosary School
Horace Hawes School
John Muir School
Kids Connection School
Leroy Anderson Village School
Lomita Park School
Lynhaven Elementary School
Mater Dolorosa School
Meadows School
Millbrae School District
Millsmont Academy
Mission Dolores School
Monarch Academy
Moreland School District
Nativity School
Ortega School
Our Lady of Angels School
Our Lady of Grace School
Our Lady of the Rosary School
Payne School
Portola School
Queen of All Saints School
Rollingwood School
Rosemary Elementary School
San Bruno Park School District
Saratoga Elementary School
Saratoga Union School District
School of the Epiphany
School of the Madeleine
Selby Lane School
Spring Valley School
St. Anselm School
St. Anthony School
St. Barnabas School
St. Bede School
St. Brigid School
St. Catherine of Siena School
St. Catherine School
St. Cecilia School
St. Charles School
St. Clement School
St. Elizabeth School
St. Elizabeth School
St. Felicitas School
St. Finn Barr School
St. Gabriel School
St. Gregory School
St. Isabella School
St. John School
St. John the Baptist
St. John Vianney School
St. John's School
St. Joseph School
St. Joseph the Worker
St. Leander School
St. Leo School
St. Leo the Great School
St. Matthew School
St. Nicholas School
St. Patrick School
St. Paul Elementary School
St. Paul School
Sts. Peter & Paul School
St. Philip Neri School
St. Philip School
St. Pius School
St. Raymond School
St. Robert School
St. Stephens School
St. Theresa School
St. Thomas More School
St. Timothy School
St. Veronica School
San Jose Unified School District
Allen Elementary School
Almaden Elementary School
Booksin Elementary School
Canoas Elementary School
Anne Carson Elementary School
Darling Elementary School
Empire Elementary School
Gardens Elementary School
Galarza Elementary School
Gardner Elementary School
Grant Elementary School
Graystone Elementary School
Hacienda Elementary School
Hammer Elementary School
Los Alamitos Elementary School
Lowell Elementary School
Mann, Horace Elementary School
Olinder Elementary School
Reed Elementary School
River Glen Elementary School
Schallenberger Elementary School
Simonds Elementary School
Terrell Elementary School
Trace Elementary School
Washington Elementary School
Williams Elementary School
Willow Elementary School

[Sublease with the San Francisco Gaelic Athletic Association]

RESOLUTION AUTHORIZING THE DIRECTOR OF ISLAND OPERATIONS TO EXECUTE THE SUBLEASE BETWEEN THE TREASURE ISLAND DEVELOPMENT AUTHORITY AND THE SAN FRANCISCO GAELIC ATHLETIC ASSOCIATION

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997(the "Act"), which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968, the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, In order to facilitate productive reuse of the Base, the Authority leases and licenses property from the Navy and, in turn, subleases and sublicenses such property to third parties or uses such property for municipal purposes; and

WHEREAS, The San Francisco Gaelic Athletic Association (the "SFGAA") has offered to sublease and to improve vacant lots as an athletic field and associated improvements at no cost to the Authority; and,

WHEREAS, The mission of the SFGAA is to expand the reach of Irish sports and to foster regional and local sports competitions, and to train San Francisco youth and residents in the sport under the umbrella of SFGAA; and,

WHEREAS, The SFGAA will assume all responsibility for development, maintenance, and repairs to the facilities and provide a public benefit to the community by reaching out to Treasure Island residents to introduce them to the sport by making facilities, training and athletic events available to the Treasure Island community at no cost; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations to execute the Sublease between the Authority and SFGAA in substantially the form attached hereto as Exhibit A for the improvement and use of an athletic field that will be generally located within the area bounded by bounded by 13th Street, Avenue E, 11th Street and Avenue I; and, Be It,

FURTHER RESOLVED, That SFGAA will assume all responsibility for maintenance and repairs to the field that they develop and that SFGAA will conduct outreach to the Treasure Island community to introduce them to the sport of Irish Football by making facilities, training and athletic events available to the Treasure Island community for free; and Be It

FURTHER RESOLVED, That in accord with the appraised fair market rent for athletic fields on Treasure Island, the field will be provided to the SFGAA at no cost for the term of the Sublease in consideration of SFGAA's obligations to improve and

maintain the athletic field and to provide outreach to the Treasure Island community; and Be It

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Sublease with SFGAA will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Sublease are economically reasonable.

###

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors at a properly noticed meeting on November 14, 2007.

_____

Owen Stephens, Secretary

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SUBLEASE

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

SAN FRANCISCO GAELIC ATHLETIC ASSOCIATION

as Subtenant

For the Sublease of

Unimproved Land
Generally bounded by 13th Street, Avenue E, 11th Street and Avenue I

Treasure Island Naval Station
San Francisco, California

December 1, 2007

TREASURE ISLAND SUBLEASE

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9.	REPAIRS AND MAINTENANCE	1
10.	LIENS	1
11.	COMPLIANCE WITH LAWS	1
12.	ENCUMBRANCES	1
13.	DAMAGE OR DESTRUCTION	1
14.	ASSIGNMENT AND SUBLETTING	1
15.	DEFAULT; REMEDIES	1
16.	RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION	1
17.	INSURANCE	1
18.	ACCESS BY SUBLANDLORD	1
19.	SURRENDER	1
20.	HAZARDOUS MATERIALS	1
21.	GENERAL PROVISIONS	1
22.	SPECIAL PROVISIONS	1

LIST OF EXHIBITS:

EXHIBIT A – Master Lease
EXHIBIT B – Diagram of Premises
EXHIBIT C – Cover Page of Seismic Report
EXHIBIT D – Rules and Regulations
EXHIBIT E – Utilities
EXHIBIT F – TIHDI Work Force Hiring Plan

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated for reference purposes only as of December 1, 2007, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and the SAN FRANCISCO GAELIC ATHLETIC ASSOCIATION, a non-profit corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated November 18, 1999 as amended from time to time (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property located on Treasure Island Naval Station (the "Property"), as more particularly described in the Master Lease.

B. Subtenant desires to sublet from Sublandlord, and Sublandlord is willing to sublet to Subtenant, a portion of the Property on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. BASIC SUBLEASE INFORMATION

The following is a summary of basic sublease information (the "Basic Sublease Information"). Each item below shall be deemed to incorporate all of the terms of this Sublease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Sublease, the more specific provision shall control.

Sublease Reference Date:	December 1, 2007
Sublandlord:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation
Subtenant:	SAN FRANCISCO GAELIC ATHLETIC ASSOCIATION, a non-profit corporation

Subleased Premises (Section 2.1):	Vacant Lot generally bounded by 13th Street, Avenue E, 11th Street and Avenue I on Treasure Island, San Francisco, Ca. 94130, consisting of approximately _____ square feet, as more particularly shown on Exhibit B, attached hereto.
Facility (Section 5.3):	Not Applicable
Term: (Section 4.1):	Commencement date: December 1, 2007 Expiration date November 30, 2008 Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.
Base Rent (Section 5.1):	The field will be provided to the Subtenant at no Base Rent in consideration of the Subtenant's obligation to assume all responsibility for development, maintenance, and repairs to the athletic field on the Premises and provide a public benefit to the community by reaching out to Treasure Island residents to introduce them to the sport by making facilities, training and athletic events available to the Treasure Island community at no cost.
Rent Adjustment Date(s) (Section 5.2):	Not Applicable
Rent Increase Percentage (Section 5.2):	Not Applicable
Subtenant's Proportionate Share (Section 5.3):	One Hundred Percent (100%)
Use (Section 7.1):	Development and use as an athletic field
Repair Amount (Section 13.1):	Ten Thousand Dollars ($10,000)
Amount of All Risk Property Insurance Coverage (Section 17.1(e)):	No Improvements – Not Applicable

Security Deposit (Section 19.3):	One Thousand Dollars ($1,000) to assure payment of Additional Costs described in Section 54.
Notice Address of Sublandlord (Section 21.1):	Treasure Island Development Authority Treasure Island Project Office 410 Avenue of Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn: Mirian Saez Director of Island Operations Fax No.: 415-274-0299 with a copy to: Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Eileen M. Malley Fax No.: (415) 554-4755
Notice Address of Subtenant (Section 21.1):	San Francisco Gaelic Athletic Association Attn: Oliver McElhone, Chairman of the Board of Directors Fax No.: (650) 430-4561
Notice Address of Master Landlord (Section 21.1):	Department of The Navy Base Realignment and Closure Program Management Office West 1455 Frazee Road, Suite 900 San Diego, CA 92108-4310 Fax #: (619) 532-9858
Other Noteworthy Provisions	Not applicable.

2. PREMISES

2.1. Subleased Premises. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises. Subtenant shall have the non-exclusive right to use, together with other subtenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and

the non-exclusive right of access to and from the Premises by the main entrances to the Facility and the Property.

In the event Subtenant uses or occupies space outside the Premises without the prior written consent of Sublandlord (the "Encroachment Area"), then upon written notice from Sublandlord ("Notice to Vacate"), Subtenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Subtenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Sublandlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably determined by Sublandlord (the "Encroachment Area Charge"). If Subtenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Sublandlord of the Encroachment Area Charge be deemed a consent by Sublandlord to the use or occupancy of the Encroachment Area by Subtenant or a waiver (or be deemed as waiver) by Sublandlord of any and all other rights and remedies of Sublandlord under this Sublease (including Subtenant's obligation to indemnify, defend and hold Sublandlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Two Hundred Dollars ($200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Sublandlord determines during subsequent inspection(s) that Subtenant has failed to vacate the Encroachment Area, then Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Three Hundred Dollars ($300.00) for each additional Notice to Vacate, if applicable, delivered by Sublandlord to Subtenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Sublandlord will incur by reason of Sublandlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Subtenant's failure to comply with the applicable Notice to Vacate and Sublandlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Sublandlord under this Sublease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Sublandlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 16 below shall also apply to Subtenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Subtenant shall additionally indemnify, defend and hold Sublandlord harmless from and against any and all loss or liability resulting from delay by Subtenant in so surrendering the

Encroachment Area including, without limitation, any loss or liability resulting from any claims against Sublandlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Sublandlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: _____Sublandlord_____Subtenant

2.2. As Is Condition of Premises.

(a) Inspection of Premises. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) As Is; Disclaimer of Representations. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in

the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 2.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

3. COMPLIANCE WITH MASTER LEASE

3.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein.

3.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities or HVAC services, or the performance of any other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities or HVAC services, or the performance of any of Master Landlord's obligations under the Master Lease.

3.3. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

3.4. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the

Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

4. TERM

4.1. **Term of Sublease**. The term of this Sublease (the "Term") shall commence on the Commencement Date set forth in the Basic Sublease Information, and expire on the Expiration Date set forth in the Basic Sublease Information, unless sooner terminated pursuant to the terms of this Sublease.

4.2. **Effective Date**. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

4.3. **Automatic Termination**. If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

4.4. **Termination by Sublandlord**. Subtenant's period of occupancy of the Premises is subject to Sublandlord's right to terminate this Sublease as provided herein at such time as Sublandlord determines, in its sole discretion, that the Premises are needed in connection with a Sublandlord program or project. As used herein, "Sublandlord program or project" shall mean any development or renovation, by public and/or private parties, of the building or land in or on which the Premises are located. In the event of any such development or renovation, Sublandlord shall have the right to terminate this Sublease without liability or expense upon delivery to Subtenant of thirty (30) days prior written notice of such termination. Subtenant agrees and shall be required to surrender possession of the Premises by the end of such thirty (30) day period.

4.5. **No Relocation Assistance; Waiver of Claims**. Subtenant acknowledges that it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S. C. 4601 et seq. ("URA"), and that Subtenant will not be entitled to any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Subtenant's Lease and Subtenant's relocation from the Premises. Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all

claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, agents, contractors and successors and assigns and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.).

Initials: _____ Subtenant

5. **RENT**

5.1. **Base Rent.** Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord Base Rent in the amount set forth in the Basic Sublease Information. Base Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 21.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

5.2. **Adjustments in Base Rent**. If this Sublease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Sublease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

5.3. **Subtenant's Proportionate Share of Expenses**. As used in this Sublease, "Expenses" shall mean the total costs and expenses paid or incurred by Sublandlord in connection with the ownership, operation, maintenance, management and repair of the Premises and/or the Facility or any part thereof, including, without limitation, all the following items: Common Area Expenses, Maintenance and Repair Expenses, Life Safety Costs, Management and Administration Expenses, Insurance Expenses and Utility Expenses. "Expenses" shall specifically exclude the following items: (a) depreciation and other "non-cash" items; (b) capital expenditures that (i) are not required by any Laws, (ii) do not significantly improve the operating efficiency of the Premises or the Facility, (iii) are not necessary to achieve cost savings, avoidance of cost increases, or both with respect to the Premises or the Facility, or (iv) are not necessary for the health, welfare and safety of the tenants of the Premises or the Facility; (c) costs for which Sublandlord is actually reimbursed (i) by any subtenant or occupant of the Facility, or (ii) by insurance by its carrier or any tenant's carrier or by anyone else; (d) any bad debt loss, rent loss, or other reserves of any kind or nature; (e) costs incurred by Sublandlord for the repair of damage to the Premises or the Facility, to the extent that Sublandlord is reimbursed in insurance proceeds; (f) cost of all damage to the Premises or the Facility due to casualty governed by Section 13 below, if covered by insurance; and (g) the wages, salaries and other compensation

and benefits, including taxes levied thereon, of employees above the level of Facilities Manager, and the same of employees who do not devote substantially all of their employed time to the Facility unless such wages and benefits are prorated to reflect time spent on operating and managing the Facility vis-à-vis time spent on matters unrelated to operating and managing the Facility.

As used in this Sublease, "Common Area Expenses" shall mean all costs to operate, maintain, repair, replace, supervise, insure and administer the Common Areas including, without limitation, supplies, materials, labor and equipment used in or related to the operation and maintenance of the common areas, sprinkler systems, sidewalks, walkways, driveways, curbs, lighting systems and security services, if any, provided by Sublandlord for the Common Areas. As used in this Sublease, "Insurance Expenses" means the cost of all insurance carried by Sublandlord on the Premises and/or the Facility or any part thereof or interest therein, including, without limitation, premiums for "all risk" fire and extended coverage insurance, commercial general liability insurance, rent loss or abatement insurance, earthquake insurance, flood or surface water coverage, and other insurance as Sublandlord deems necessary in its sole discretion, and any deductibles paid under policies of any such insurance. The foregoing shall not be deemed an agreement by Sublandlord to carry any particular insurance relating to the Premises or the Facility. As used in this Sublease, "Life Safety Expenses" shall mean all costs to install, maintain, repair and replace all life safety systems, including, without limitation, all fire alarm systems, serving the Premises and/or the Facility or any part thereof (including all maintenance contracts and fees payable to life safety consultants) whether such systems are or shall be required by Sublandlord's insurance carriers, Laws or otherwise. As used in this Sublease, "Maintenance and Repair Expenses" shall mean all costs to maintain, repair, and replace the Premises and/or the Facility or any part thereof and the personal property used in conjunction therewith, including, without limitation, (i) all costs paid under maintenance, management and service agreements such as contracts for janitorial, security and refuse removal, (ii) all costs to maintain, repair and replace the roof coverings of the Premises or the Facility or any part thereof, (iii) all costs to maintain, repair and replace the plumbing, electrical, fire protection, life safety, security and other mechanical, electrical, communications systems of the Facility, (iv) the cost of all cleaning and janitorial services and supplies, if any, and (v) the cost of maintenance, depreciation and replacement of machinery, tools and equipment (if owned by Sublandlord) and for rental paid for such machinery, tools and equipment (if rented) used in connection with the operation or maintenance of the Facility. As used in this Sublease, "Management and Administration Expenses" shall mean all costs for management and administration of the Premises and/or the Facility or any part thereof, including, without limitation, a property management fee, accounting, auditing, billing, postage, salaries and benefits for all employees and contractors below the level of senior project manager engaged in the management, operation, maintenance, repair and protection of the Facility, whether located in the Facility or off-site, payroll taxes and legal and accounting costs, fees for licenses and permits related to the ownership and operation of the Facility, and office rent for the Facility management office or the rental value of such office if it is located within the Facility. As used in this Sublease, "Utility Expenses" shall mean the cost of all electricity, water, gas, heat, sewers, oil

and other utilities, including any surcharges imposed, serving the Premises, the Facility or any part thereof that are not separately metered to Subtenant or any other subtenant.

5.4. **Additional Charges**. In addition to Base Rent, Subtenant shall pay Subtenant's Proportionate Share of any and all Expenses, plus all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Subtenant under this Sublease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

5.5. **Late Charge**. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

5.6. **Default Interest**. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

6. TAXES, ASSESSMENTS AND OTHER EXPENSES

6.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) **Payment Responsibility**. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest.** Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens**. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information**. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

6.2. **Evidence of Payment**. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

7. USE; COVENANTS TO PROTECT PREMISES

7.1. **Subtenant's Permitted Use**. Subtenant may use the Premises for the Permitted Use set forth in the Basic Sublease Information, but for no other purpose without the prior written consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion.

7.2. **Subtenant's Access to the Premises**. As provided in Section 30 of the Master Lease, Subtenant shall have access to the Premises on a 24-hours per day, seven days a week basis; provided, however, Subtenant shall coordinate such access with the local representative of Master Landlord.

7.3. **Rules and Regulations**. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time.

7.4. **Easements**. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of

liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

7.5. No Interference with Navy Operations. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Subtenant's use of the Premises in the event of any conflict; provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

7.6. No Unlawful Uses, Nuisances or Waste. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

8. ALTERATIONS

8.1. Alterations. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

8.2. Historic Properties. Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Master Landlord's and Sublandlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

8.3. Ownership of Alterations. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 8 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 19 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 8.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

8.4. Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant, subject to the provisions of Section 19 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

8.5. Sublandlord's Alterations. Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

9. REPAIRS AND MAINTENANCE

9.1. **Subtenant Responsible for Maintenance and Repair**. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

9.2. **Utilities**. Sublandlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

9.3. **Landscaping.** Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair.

9.4. **Janitorial Services**. Subtenant shall provide all janitorial services for the Premises.

9.5. **Pest Control**. Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

9.6. **Trash**. Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit F. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

9.7. **No Right to Repair and Deduct.** Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any

part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

10. LIENS

10.1. Liens. Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

11. COMPLIANCE WITH LAWS

11.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Sublease below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

11.2. **Regulatory Approvals**.

(a) **Responsible Party**. Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

11.3. **Compliance with Sublandlord's Risk Management Requirements**. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

12. ENCUMBRANCES

12.1. **Encumbrance By Subtenant**. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

13. DAMAGE OR DESTRUCTION

13.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 17 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 19 (except for damage caused by a casualty pursuant to which this Sublease may be terminated under this Section 13.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 13.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 8.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

13.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 13.1 above, there shall be no abatement in the Rent payable hereunder.

13.3. Waiver. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

14. ASSIGNMENT AND SUBLETTING

14.1. Restriction on Assignment and Subletting. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion. Subtenant shall provide Sublandlord with a written notice of its intention to Transfer this Sublease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Subtenant shall provide Sublandlord with such information regarding the proposed Transfer as Sublandlord may reasonably request.

14.2. **Bonus Rental**. If Sublandlord consents to a Transfer of any of Subtenant's interest in or rights with respect to the Premises pursuant to Section 14.1 above, then one hundred percent (100%) of any rent or other consideration payable to Subtenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Sublandlord immediately upon receipt by Subtenant.

15. DEFAULT; REMEDIES

15.1. **Events of Default**. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) **Failure to Pay Rent**. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) **Covenants, Conditions and Representations**. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease; provided, Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord.

(c) **Vacation or Abandonment**. Any abandonment of the Premises for more than fourteen (14) consecutive days.

(d) **Bankruptcy**. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted.

(e) Notices of Default. The delivery to Subtenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Subtenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Sublease allowing the Authority to immediately terminate this Sublease without further notice or demand to Subtenant.

15.2. **Remedies**. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to

Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages**. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver**. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

15.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

16. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

16.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any

way connected with the Indemnified Parties' decision to Sublease the Premises to Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 16.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

16.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's

Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) any construction or other work undertaken by Subtenant on or about the Premises; and (f) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

17. INSURANCE

17.1. Required Insurance Coverage. Without in any way limiting Subtenant's liability under Section 16 above, Subtenant, at its sole cost and expense, shall maintain, or cause to be maintained, throughout the Term of this Sublease, the following insurance:

(a) General Liability Insurance. Comprehensive or commercial general liability insurance, with limits not less than Three Million Dollars ($3,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars ($1,000,000), explosion, collapse and underground (XCU).

(b) Automobile Liability Insurance. If any automobiles or any other motor vehicles are operated in connection with Subtenant's activity on the Premises or the permitted use under Section 17.1 above Comprehensive or business automobile liability insurance with limits not less than One Million Dollars ($1,000,000.00) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability.

(c) Worker's Compensation and Employer's Liability Insurance. If Subtenant has employees, Worker's Compensation Insurance with Employer's Liability limit not less than One Million Dollars ($1,000,000.00) for each accident, injury or illness, on employees eligible for each.

(d) Personal Property Insurance. Subtenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property

insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Subtenant for the replacement of Subtenant's personal property.

(e) All Risk Property Insurance. All risk property insurance insuring the Premises including, without limitation, any improvements, Alterations, furniture, fixtures and equipment located thereon, in an amount not less than the Amount of All Risk Property Insurance Coverage set forth in the Basic Sublease Information.

(f) Other Coverage. Such other insurance as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

17.2. Claims-Made Policies. If any of the insurance required in Section 17.1 above is provided under a claims-made form of policy, Subtenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Sublease, to the effect that should occurrences during the Term give rise to claims made after termination of this Sublease, such claims shall be covered by such claims-made policies.

17.3. Annual Aggregate Limits. If any of the insurance required in Section 17.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

17.4. Payment of Premiums. Subtenant shall pay the premiums for maintaining all required insurance.

17.5. Waiver of Subrogation Rights. The parties release each other, and their respective authorized representatives, from any claims for damage to the Premises or to the fixtures, personal property, improvements or Alterations of either Sublandlord or Subtenant in or on the Premises which are caused by or result from risks insured against under any property insurance policies carried by the parties and in force at the time of any such damage, to the extent such claims for damage are paid by such policies. Each party shall cause each property insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against the other party in connection with any damage covered by any policy.

17.6. General Insurance Matters.

(a) All liability insurance policies required to be maintained by Subtenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF

THE NAVY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Sublease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies required to be maintained by Subtenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Sublandlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Subtenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Subtenant and Sublandlord. Such notice shall be given in accordance with the notice provisions of Section 21.1 below.

(d) Subtenant shall deliver to Sublandlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Sublandlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Subtenant shall, upon Sublandlord's request, promptly furnish Sublandlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Sublandlord may require Subtenant to increase the insurance limits set forth in Section 17.1 above if Sublandlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Subtenant with respect to risks comparable to those associated with the use of the Premises.

(f) Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

(g) Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

18. ACCESS BY SUBLANDLORD

18.1. Access to Premises by Sublandlord.

(a) **General Access.** Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four

(24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access**. In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability**. Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

18.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

19. SURRENDER

19.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 8.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980, et

seq., of the California Civil Code or in any other manner allowed by Law.

19.2. No Holding Over. If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

19.3. Security Deposit. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount set forth in the Basic Sublease Information as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 20.3, Sublandlord shall return such security deposit to Subtenant within forty-five (45) days of the termination of this Sublease.

20. HAZARDOUS MATERIALS

20.1. No Hazardous Materials. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the

Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Subtenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan, and with the requirements of the environmental protection provisions provided for in Section 13 of the Master Lease.

20.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 20.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 16.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts'

fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

20.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

21. GENERAL PROVISIONS

21.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Sublease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to

accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 21.1 and applicable Laws, shall be deemed receipt of such notice.

21.2. No Implied Waiver. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

21.3. Amendments. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

21.4. Authority. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

21.5. Joint and Several Obligations. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

21.6. Interpretation of Sublease. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and

purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

21.7. Successors and Assigns. Subject to the provisions of Section 14, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

21.8. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

21.9. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

21.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

21.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further

intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

21.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

21.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

21.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

21.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

21.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

21.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

21.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

21.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

21.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

21.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord.

22. SPECIAL PROVISIONS

22.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

22.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's

sole expense.

22.3. TIHDI Job Broker. Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

22.4. Local Hiring. Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

22.5. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) Sub-Subleases and Other Subcontracts. Subtenant shall include in all sub-subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such sub-subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all sub-subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all sub-subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) Non-Discrimination in Benefits. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) HRC Form. As a condition to this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with

supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-128-101 with supporting documentation; and (ii) the HRC approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

22.6. MacBride Principles - Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

22.7. Tropical Hardwood and Virgin Redwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

22.8. Conflicts of Interest. Subtenant states that it is familiar with the provisions of Section 8.105 and 8.106 of the San Francisco Charter and certifies that it knows of no facts which would constitute a violation of such provisions. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful

failure by Subtenant to make such disclosure, if any, shall constitute grounds for the Sublandlord's termination and cancellation of this Sublease.

22.9. Wages and Working Conditions. Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

22.10. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Sublandlord or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

22.11. Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which **(i)** prohibit the use of certain pesticides on City property, **(ii)** require the posting of certain notices and the maintenance of certain records regarding pesticide usage and **(iii)** require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that **(a)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, **(b)** describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and **(c)** identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

22.12. First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Subtenant shall enter into a First Source Hiring Agreement that meets the applicable

requirements of Section 83.9 of the First Source Hiring Ordinance.

22.13. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

22.14. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord.

22.15. Charter Provision. This Sublease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

22.16. Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Sublease as though fully set forth. The text of the HCAO is available on the web at www.dph.sf.ca.us/HCRes/Resolutions/2004Res/HCRes102004.shtml. Capitalized terms used in this Section and not defined in this Sublease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO,

Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Subtenant shall provide Sublandlord with access to records pertaining to compliance with the HCAO after receiving a written request from Sublandlord to do so and being provided at least five (5) business days to respond.

(j) Sublandlord may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with Sublandlord when it conducts such audits.

(k) If Subtenant is exempt from the HCAO when this Sublease is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000) (or [Fifty Thousand Dollars ($50,000) if Subtenant is a qualified nonprofit), but Subtenant later enters into an agreement or

agreements that cause Subtenant's aggregate amount of all agreements with Sublandlord to reach Seventy-Five Thousand Dollars ($75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Subtenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

22.17. Notification of Limitations on Contributions. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

22.18. Preservation-Treated Wood Containing Arsenic. As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

22.19. Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

22.20. Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by

all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

22.21. Estoppel Certificates. At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Sublease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Sublandlord. Sublandlord and Subtenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Sublandlord's interest in the Master Lease or this Sublease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Subtenant irrevocably appoints Sublandlord, as Subtenant's agent, to execute and deliver in the name of Sublandlord any such instrument if Subtenant fails to do so, which failure shall also be an Event of Default under this Sublease.

22.22. Addendum. The terms of the Addendum attached to this Sublease are incorporated into the Sublease by reference. In the event of any inconsistency between the Sublease and the Addendum, the terms of the Addendum shall control.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

San Francisco Gaelic Athletic Association, a non-profit corporation

By: _____
Oliver McElhone
Its: Chairman of the Board of Directors

SUBLANDLORD:

Treasure Island Development Authority

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

EXHIBIT A

MASTER LEASE

EXHIBIT B

DIAGRAM OF PREMISES

EXHIBIT C

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT D

RULES AND REGULATIONS

1. All rules and regulations set out in the Master Lease shall prevail.

2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Sublandlord.

3. Subtenant's contractors and invitees, while on the Premises or Subtenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Sublandlord and its agents, but will not be an agent or contractor of the Sublandlord or its agents. Subtenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Sublandlord.

4. Subtenant shall install and maintain at Subtenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

EXHIBIT E

STANDARD UTILITIES AND SERVICES AND RATES

x

Utilities Rate Schedule

Utility Service	Rate	Unit
Electric Rate	$ 0.14	per kwh
Water Rate	$ 5.40	per kgal
Sewer Rate	$ 5.75	per kgal
Gas Rate	$ 0.60	per therm

Rates are subject to adjustment.

Subtenant shall install utility Submeters to the satisfaction of Sublandlord.

Subtenant shall arrange for delivery of utility services to the premises by making a "Request for Utilities Services" by contacting:

San Francisco Public Utilities Commission
c/o Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mr. Vic Zorzinsky
(415) 274-0333

EXHIBIT F

TIHDI WORKFORCE HIRING AGREEMENT

AGENDA ITEM 11
Treasure Island Development Authority
City and County of San Francisco
Meeting of November 14, 2007

Subject: **Resolution to Authorize the Director of Island Operations to Enter into Subleases for Residential Use of Quarters 10, 61 and 62 as Temporary Housing.** ***(Action Item)***

Contact **Mirian Saez, Director of Island Operations**
Phone **(415) 274-0660**

BACKGROUND

Project Staff has been contacted by Departments of the City and County of San Francisco seeking temporary housing for employees in transition from other regions of the country. In response to these requests, Project Staff is preparing three currently vacant residential quarters for use. These units will be offered on a preferential basis to certain City employees to facilitate their transition from regions of the country where housing prices are considerably lower. This preference serves the legitimate public purpose of providing temporary housing to City employees for a limited transition period. It is rationally related to the efforts of the City to recruit experienced personnel to the City by minimizing the effect of Bay Area housing costs during the employee's transition to City employment.

On November 19, 1999, the Treasure Island Development Authority (the "Authority") entered into Lease Agreement N6247499RP42P12 (the "Land and Structures Master Lease") with the United States Navy. The lease premises consist of land and structures throughout Treasure Island. On June 13, 2007, the Land and Structures Master Lease was amended to add Quarters 10, 61, 62 and other buildings to the lease premises for non-residential uses. Project Staff delivered a presentation at the October 10, 2007 Authority Board meeting, to inform the Authority of the opportunity to renovate the Quarters for use as residential properties. The Navy has informed Project Staff that a condition of making the units available for residential purposes will be Navy approval of a lead based paint management plan for occupied units.

The Quarters are a collection of residential units located on Yerba Buena Island. They include Quarters 10, which has been nominated as an historic structure due to its unique architectural features, as well as Quarters 61 and 62, which are attractive buildings of no historic significance. Generally, repairs will be limited to minor work, including painting, landscaping and repairs to the boiler.

The general business terms of subleases for the Quarters will be: (1) the units will be restricted to residential use; (2) the term of the sublease will be no greater than the term provided the Authority in its lease with the Navy, and either party shall have the right to terminate the sublease upon 30 days' prior written notice; and (3) the basic terms and

conditions will be described in a boilerplate residential sublease approved by the City Attorney. Subleases and amendments that are not signed "as to form" by the City Attorney will be invalid and not binding.

STRATEGY

Quarters 10 has been nominated for historic designation as a building designed in the Bay Tradition style in which the building retains a high level of integrity with minimal alterations. Due to the building's nomination for historic designation, it is likely the building will not be demolished. Consequently, the opportunity for earning a return on investment will not be affected by the development program.

The strategy for repair and reuse of Quarters 10, 61 and 62 call for use of Quarters 10, initially. This is because the costs to repair are low and the likelihood of immediate rental in the current market is high. As Quarters 10 earns revenue and the market responds to outreach efforts, Project Staff will repair and offer the remaining Quarters for rent.

FINANCIAL IMPACT

Funding for repairs to Quarters 10 will not affect the Fiscal Year 07-08 Budget. Four Hundred and Eighty Nine Thousand Dollars ($489,000) was budgeted for Special Capital Improvement Projects for FY07-08. While One Hundred and Thirty Thousand Dollars ($130,000) was budgeted for the Hangar Three roof repair only One Hundred and Eighteen Thousand Dollars ($118,000) of this fund was spent to complete the project in September of 2007. As a result, Three Hundred and Seventy One Thousand Dollars ($371,000) remains in the Special Capital Improvement Projects fund. The budget for repairs to Quarters 10 is less than Fifty Thousand Dollars ($50,000). After the investment in Quarters 10, over Three Hundred and Twenty Thousand Dollars ($320,000) will remain for additional Special Capital Improvement Projects in FY 07-08.

RECOMMENDATION

Project Staff recommends that the Director of Island Operations be authorized to negotiate and execute residential subleases for the Quarters for the legitimate public purpose of providing temporary housing to City employees when providing such housing is rationally related to the City's efforts to recruit personnel to City employment. This authority will enhance the ability of the Authority to support the City's recruitment efforts in the competitive environment for experienced professional talent, while generating revenue from underutilized properties.

To assure transparency in all agreements, the Director of Island Operations will report back to the Board of Directors the terms of residential subleases executed in accord with this authority.

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director of Island Operations

[Authorizing Residential Sublease Negotiations and Execution]

RESOLUTION TO AUTHORIZE THE DIRECTOR OF ISLAND OPERATIONS TO ENTER INTO SUBLEASES FOR RESIDENTIAL USE OF QUARTERS 10, 61 AND 62 AS TEMPORARY HOUSING

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco ("City); and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the

Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, Project Staff has been contacted by City Departments seeking temporary housing for employees in transition from other regions of the country; and,

WHEREAS, The City has requested the opportunity to offer housing to certain City employees to facilitate their transition from other regions of the country where housing prices are considerably lower; and,

WHEREAS, The ability of the City to offer such housing is rationally related to the efforts of the City to recruit experienced personnel to the City by minimizing the effect of Bay Area housing costs during the employee's transition to City employment; and,

WHEREAS, The ability of the City and County of San Francisco to provide temporary housing to City employees serves the legitimate public purpose of enhancing the ability of the Authority to support the recruitment efforts of the City in the competitive environment for experienced professional talent, while generating revenue from underutilized properties; and,

WHEREAS, Project Staff has identified Quarters 10, 61 and 62 as residential units that are suitable and appropriate for providing temporary housing that supports the recruitment efforts of the City in the competitive environment for experienced professional talent; Now, Therefore, Be It

RESOLVED, That the Board of Directors of the Authority authorizes the Director of Island Operations to negotiate and execute residential subleases for Quarters 10, 61 and 62 for the legitimate public purpose of providing temporary housing for City employees when providing such housing is rationally related to the City's efforts to recruit personnel to City employment.

# # # #

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at the properly noticed meeting on November 14, 2007.

_____

Owen Stephens, Secretary

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



GAVIN NEWSOM, MAYOR

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DRAFT Minutes of Special Meeting
Treasure Island Development Authority
November 14, 2007

Casa de la Vista, Building 140
Avenue of the Palms, Treasure Island
San Francisco, CA

1. **Call to Order:** 6:38 PM

Roll Call Present: Fred Blackwell
John Elberling, Chief Financial Officer
Matthew Franklin
Owen Stephens, Secretary

Excused: Jared Blumenfeld
Jesse Blout
Claudine Cheng, President
Supervisor Chris Daly

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2. Report by Director of Island Operations

Ms. Mirian Saez, Director of Island Operations, provided an update on her schedule and activities on the Island. Discussed the effects on the Island of the recent Cosco-Busan oil spill in San Francisco Bay. Discussed the use of the Nimitz Conference Center on Treasure Island by the Coast Guard, Department of Fish and Game and representatives of the shipping company as the site of the coordinated joint response operations planning for oil cleanup, and the use of Quarters 62 on Yerba Buena Island by the Incident Commander for clean-up activities.

Ms. Laura Phillips, Executive Director of the Department of Emergency Management, discussed the City of San Francisco's role in coordination of the oil spill clean-up, as well as the use of the facilities on Treasure and Yerba Buena Island. Thanked the Director of Island Operations and TIDA staff for their assistance over the past few weeks.

Ms. Saez continued her report. Discussed recent meetings with CalTrans about traffic safety measures for the Yerba Buena Island tunnel and on-ramps from the Island to the Bay Bridge and another meeting with CalTrans about filling potholes on the Causeway and on Macalla Road. Stated that candidates have been interviewed for the Leasing Manager position, and a selection is

expected soon. Stated she has held recent meetings with the City Attorney for DPT to discuss abandoned cars on the Island; with stakeholder groups about the new playground for Treasure Island; about the continued development of the Treasure Island logo. The San Francisco Public Library has selected Swing, a murder-mystery set at the 1939 Golden Gate International Exposition on Treasure Island as it's "On the Same Page" selection for October and November. Staff has begun planning a celebration for the 70th anniversary of the GGIE, coming up in 2009.

Ms. Saez reviewed status of quality of life issues, including CalTrans will begin filling pot holes this weekend on Macalla Drive on YBI. Tree trimming on YBI began this week. Security Guards are now posted at the Front Gate from 7 am to 10 pm. Pot holes were filled TI this past week in conjunction with the Triathlon. Thanks to Bart Rugo who routinely provides us info on pot holes and more from his bicycle rides. Good Neighbors has set up a system where residents can identify light for replacement. PUC has responded promptly to their requests for services. Installed doggy bags on many areas on the Island. See photos of our efforts. Thanks to all the residents and the group called Island Pets who helped us on this project. Changed JSCO leasing policy to allow two pets per household. Neighborhood Watch in cooperation with SF Safe conducted a *Hardening of the Target* audit of our apartment. Motorcycle patrols are out regularly watching for seatbelt violators and speeder on the Causeway. DOE made a presentation at the Community meeting on how to increase recycling.

Director Elberling motioned to move to Items 8 through 12 on the agenda at the current time and then return to Item 3.
The Board approved the motion to move to Items 8 through 12.

8. Consent Agenda
There was no Public Comment on the Consent Agenda.

Director Stephens motioned for approval.
Director Franklin seconded the motion.
The Consent Agenda was approved unanimously.

9. Sublease for the Café at Building 183 with the Treasure Island Job Corps
Mr. Marc McDonald, TIDA Facilities Director, presented a sublease with the Treasure Island Job Corps for the Café at Building 183. At the regular meeting of the Authority's Board of Directors on September 12, 2007, Project Staff informed the Authority Board that Delancey Street had announced its intention to discontinue its Crossroads Café operations effective November 30, 2007 due to their inability to generate sufficient revenue to operate without significant financial loss. At the same meeting, the Authority Board authorized the Director of Island Operations to enter into sole source negotiations with the Treasure Island Job Corps Center to sublease the building for the purpose of operating a café. On October 15, Job Corps delivered a Business Plan to Project Staff. The Business Plan, which renamed the café the "Cooks Café," was evaluated based on criteria identified as critical factors in evaluating food related retailing.

The premises will be the approximately 640 square foot Building 183 which is located adjacent to the Marina parking lot. The term will be up to one-year, terminable by the Authority on thirty days (30) notice. Job Corps has requested free rent for a period of 45 days beginning January 16,

2008, and ending February 29, 2008 and further requests that the obligation to pay rent begin on March 1, 2008. Financing will be provided by Job Corps. It will cover working capital, capital expenditures and expenditures for fixtures, furniture and equipment. Staffing will include Job Corps students and faculty supervision. The Job Corps proposes to pay the Authority $700 per month beginning March 1, 2008. This will provide the Authority $3,500 in revenue that was not budgeted for in FY 07-08.

Director Blackwell asked why the Job Corps felt they could operate the Café successfully when Delancey Street had to discontinue due to insufficient revenue.

Mr. McDonald stated that Job Corps felt that due to their on-going food service at its campus, they could acquire food and supplies at a lower cost than what Delancey was incurring for their operation of the Café.

Public Comment:
Ms. Emily Rapaport, S.F. Islands Community Association, spoke in favor of the Job Corps assuming operation of the Café.

Director Blackwell motioned for approval of the item.
Director Stephens seconded the motion.
The item was approved unanimously.

10. Sublease with the San Francisco Gaelic Athletic Association for Sports Fields
Mr. Marc McDonald, TIDA Facilities Director, presented a sublease with the San Francisco Gaelic Athletic Association for Sports Fields on Treasure Island. The SFGAA trains San Francisco youth and residents in the sport of Irish football. The SFGAA has asked Project Staff for fields on Treasure Island to be developed as Irish Football fields. Project Staff has identified two sites suitable for development as athletic fields. Site #1 is a 55,000 square foot field bounded by Avenue H, California Avenue, Avenue F and 3rd Street. Site #2 consists of three lots ranging in size from about 50,000 to 75,000 square feet. The fields are bounded by 13th Street, Avenue E, 11th Street and Avenue I. The cost to develop the fields is still under review. SFGAA has requested a Sublease that would allow them to improve a portion of Site #2 as an athletic field. The exact location of the premises will be determined prior to the execution of the Sublease. According to current SFGAA development concepts, materials will be placed on top of the land and held in place by a perimeter barrier. Excavation will be minimized to limit the possibility of encountering subsurface hazardous materials. The resulting athletic fields will suitable for training and play. SFGAA will assume all responsibility for maintenance and repairs to the athletic field.

SFGAA will develop the field space on Treasure Island at zero cost, subject to the condition that the SFGAA develop their facilities, assume all responsibility for maintenance and repairs and contribute to the community by reaching out to Treasure Island residents to introduce them to the sport and by making facilities, training and athletic events available to the Treasure Island community for free.
Public Comment:
Mr. Bart Rugo, Treasure Island resident, spoke in support of the proposed athletic fields so long as Treasure Island residents are allowed access to them as well.

Director Stephens motioned for approval of this item.
Director Blackwell seconded the motion.
The item was approved unanimously.

11. Authorizing the Sublease of Quarters 10, 61 and 62 on Yerba Buena Island
Director Elberling motioned to remove Item 11 from the agenda.

There was no public comment on the motion.

The Board unanimously approved removal of Item 11 from the agenda.

12. Presentation of Design Drafts of Treasure Island Logo
Ms. Saez requested that Item12 be continued to the December meeting.

There was no public comment on this request

Director Elberling motioned to continue Item 11..
The Board continued Items 11 unanimously.

3. Report by the Office of Base Reuse and Development
A written report was provided at this meeting and attached to the Communications.

4. Communications
There was no discussion of the Communications.

5. Report by the Treasure Island/Yerba Buena Island Citizen Advisory Board
There was no report provided at this meeting.

6. Ongoing Business by Directors
There was no discussion on this item.

Director Elberling invited the public to stay for a public reception following the meeting.

Director Franklin left the Board at 7:15 PM.

The meeting was formally adjourned at 7:15 PM.

The remaining Board members did hear public comment after formal adjournment. A summary of this public comment is attached to these minutes as Appendix A.

Appendix A to Draft Minutes
Treasure Island Development Authority
Board of Directors Meeting
November 14, 2007

General Public Comment

Casa de la Vista, Building 140
Avenue of the Palms, Treasure Island
San Francisco, CA

Mr. Marc Conners, Good Neighbors of Treasure and Yerba Buena Islands, spoke about the activities taken by Good Neighbors in the previous month. Thanked the Board of Directors for holding the meeting on the Island.

Mr. John Tamen, Rubicon Programs, spoke in support of Rubicon Programs work on the Island. Discussed their programs and success in placing people from their program into long term employment.

Ms. Carissa Harris-Adamson, Treasure Island Sailing Center, spoke in support of TISC and discussed the upcoming programs and events that TISC is involved in. Thanked the TISC staff for their hard work.

Ms. Yvette Phillips-Aldama, TIHDI, spoke about several upcoming activities TIHDI is coordinating, including a visit by S.F.U.S.D. Superintendent Carlos Garcia and several Black History Month on-Island activities and events.

Mr. Atta Piram, Yerba Buena Island resident, spoke in support of better parking enforcement in the Yerba Buena Island residential area as well as a better plan for managing overgrown trees which can pose a fire hazard if they get too close to residences.

Ms. Palak Joshi, TIHDI, spoke about the TIHDI Economic Self-Sufficiency Program and its benefits to Island residents.

Ms. Elizabeth Weis, Yerba Buena Island resident, spoke in support of an effort to address the concerns about overgrown trees raised by Yerba Buena Island residents.

Mr. G.L. Hastings spoke in support of a school, an entertainment area and marine development on Treasure Island as part of the redevelopment project.

Mr. Ned York, John Stewart Company, spoke about the market-rate residential housing operations undertaken by the Treasure Island Villages leasing office.

Ms. Becky Hogue, Treasure Island resident, thanked the Board of Directors for holding a meeting on the Island.

Mr. Christophe Opperman, Yerba Buena Island residents, spoke in support of repairs needed to the Yerba Buena Island units and also in support of a plan for making garbage receptacles raccoon-proof.

CITY & COUNTY OF SAN FRANCISCO

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GAVIN NEWSOM, MAYOR

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Franklin

Minutes of Special Meeting
Treasure Island Development Authority
November 14, 2007

Casa de la Vista, Building 271
Avenue of the Palms, Treasure Island
San Francisco, CA

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John Elberling
Matthew Franklin
Owen Stephens

Excused: Jared Blumenfeld
Jesse Blout
Claudine Cheng
Supervisor Chris Daly

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Ms. Laura Phillips, Executive Director of the Department of Emergency Management, discussed the City of San Francisco's role in coordination of the oil spill clean-up, as well as the use of the facilities on Treasure and Yerba Buena Island. Thanked the Director of Island Operations and TIDA staff for their assistance over the past few weeks.

Ms. Saez continued her report. Discussed recent meetings with CalTrans about traffic safety measures for the Yerba Buena Island tunnel and on-ramps from the Island to the Bay Bridge and another meeting with CalTrans about filling potholes on the Causeway and on Macalla Road. Stated that candidates have been interviewed for the Leasing Manager position, and a selection is

expected soon. Stated she has held recent meetings with the City Attorney for DPT to discuss abandoned cars on the Island; with stakeholder groups about the new playground for Treasure Island; about the continued development of the Treasure Island logo. The San Francisco Public Library has selected Swing, a murder-mystery set at the 1939 Golden Gate International Exposition on Treasure Island as it's "On the Same Page" selection for October and November. Staff has begun planning a celebration for the 70th anniversary of the GGIE, coming up in 2009. CalTrans will begin filling pot holes this weekend on Macalla Drive on YBI. Tree trimming on YBI began this week. Security Guards are now posted at the Front Gate from 7 am to 10 pm. Pot holes were filled TI this past week in conjunction with the Triathlon. Thanks to Bart Rugo who routinely provides us info on pot holes and more from his bicycle rides. Good Neighbors has set up a system where residents can identify light for replacement. PUC has responded promptly to their requests for services. Installed doggy bags on many areas on the Island. See photos of our efforts. Thanks to all the residents and the group called Island Pets who helped us on this project. Changed JSCO leasing policy to allow two pets per household. Neighborhood Watch in cooperation with SF Safe conducted a *Hardening of the Target* audit of our apartment. Motorcycle patrols are out regularly watching for seatbelt violators and speeder on the Causeway. DOE made a presentation at the Community meeting on how to increase recycling.

Director Elberling motioned to move to Items 8 through 12 on the agenda at the current time and then return to Item 3
The Board approved the motion to move to Items 8 through 12

8. Consent Agenda
There was no Public Comment on the Consent Agenda.

Director Stephens motioned for approval.
Director Franklin seconded the motion.
The Consent Agenda was approved unanimously.

9. Sublease for the Café at Building 183 with the Treasure Island Job Corps
Mr. Marc McDonald, TIDA Facilities Director, presented a sublease with the Treasure Island Job Corps for the Café at Building 183. At the regular meeting of the Authority's Board of Directors on September 12, 2007, Project Staff informed the Authority Board that Delancey Street had announced its intention to discontinue its Crossroads Café operations effective November 30, 2007 due to their inability to generate sufficient revenue to operate without significant financial loss. At the same meeting, the Authority Board authorized the Director of Island Operations to enter into sole source negotiations with the Treasure Island Job Corps Center to sublease the building for the purpose of operating a café. On October 15, Job Corps delivered a Business Plan to Project Staff. The Business Plan, which renamed the café the "Cooks Café," was evaluated based on criteria identified as critical factors in evaluating food related retailing.

The premises will be the approximately 640 square foot Building 183 which is located adjacent to the Marina parking lot. The term will be up to one-year, terminable by the Authority on thirty days (30) notice. Job Corps has requested free rent for a period of 45 days beginning January 16, 2008, and ending February 29, 2008 and further requests that the obligation to pay rent begin on March 1, 2008. Financing will be provided by Job Corps. It will cover working capital, capital

expenditures and expenditures for fixtures, furniture and equipment. Staffing will include Job Corps students and faculty supervision. The Job Corps proposes to pay the Authority $700 per month beginning March 1, 2008. This will provide the Authority $3,500 in revenue that was not budgeted for in FY 07-08. Project Staff recommends that the Authority Board accept the Job Corps proposal to sublease the Cooks Café for operation and management and further recommends that the Subtenant submit to Project Staff reports of Café operations as requested, but no less than quarterly, such reports to include but not be limited to an accounting of Revenues earned and Expenditures made in the operation of the Café.

Director Blackwell asked why the Job Corps felt they could operate the Café successfully when Delancey Street had to discontinue due to insufficient revenue.

Mr. McDonald stated that Job Corps felt that due to their on-going food service at its campus, they could acquire food and supplies at a lower cost than what Delancey was incurring for their operation of the Café.

Public Comment:
Ms. Emily Rapaport, S.F. Islands Community Association, spoke in favor of the Job Corps assuming operation of the Café.

Director Blackwell motioned for approval of the item.
Director Stephens seconded the motion.
The item was approved unanimously.

10. Sublease with the San Francisco Gaelic Athletic Association for Sports Fields
Mr. Marc McDonald, TIDA Facilities Director, presented a sublease with the San Francisco Gaelic Athletic Association for Sports Fields on Treasure Island. The SFGAA trains San Francisco youth and residents in the sport of Irish football. The mission of the SFGAA is to expand the reach of the traditional Irish sports and to foster regional and local sports competitions. The SFGAA has asked Project Staff for fields on Treasure Island to be developed as Irish Football fields. Project Staff has identified two sites suitable for development as athletic fields. Site #1 is a 55,000 square foot field bounded by Avenue H, California Avenue, Avenue F and 3rd Street. Site #2 consists of three lots ranging in size from about 50,000 to 75,000 square feet. The fields are bounded by 13th Street, Avenue E, 11th Street and Avenue I. The cost to develop the fields is still under review. SFGAA has requested a Sublease that would allow them to improve a portion of Site #2 as an athletic field. The exact location of the premises will be determined prior to the execution of the Sublease. According to current SFGAA development concepts, materials will be placed on top of the land and held in place by a perimeter barrier. Excavation will be minimized to limit the possibility of encountering subsurface hazardous materials. The resulting athletic fields will suitable for training and play. SFGAA will assume all responsibility for maintenance and repairs to the athletic field.

SF Golden Gate Rugby, SF Netball Association and San Francisco Little League are provided field space on Treasure Island at zero cost, subject to the condition that the clubs develop their facilities, assume all responsibility for maintenance and repairs and contribute to the community by reaching out to Treasure Island residents to introduce them to the sport and by making

facilities, training and athletic events available to the Treasure Island community for free. SFGAA offers to provide the same benefits to the Treasure Island community.

Public Comment:
Mr. Bart Rugo, Treasure Island resident, spoke in support of the proposed athletic fields so long as Treasure Island residents are allowed access to them as well.

Director Stephens motioned for approval of this item.
Director Blackwell seconded the motion.
The item was approved unanimously.

11. Authorizing the Sublease of Quarters 10, 61 and 62 on Yerba Buena Island
12. Presentation of Design Drafts of Treasure Island Logo
Ms. Saez requested that Items 11 and 12 be continued to the December meeting.

There was no public comment on this request

Director Elberling motioned to continue Items 11 and 12
The Board continued Items 11 and 12 unanimously.

3. Report by the Office of Base Reuse and Development
A written report was provided at this meeting and attached to the Communications.

4. Communications
There was no discussion of the Communications.

5. Report by the Treasure Island/Yerba Buena Island Citizen Advisory Board
There was no report provided at this meeting

6. Ongoing Business by Directors
There was no discussion on this item.

Director Franklin left the Board at 7:15 PM

The meeting was formally adjourned at 7:15 PM,

The remaining Board members did hear public comment after formal adjournment. A summary of this public comment is attached to these minutes as Appendix A.

Appendix A to Draft Minutes
Treasure Island Development Authority
Board of Directors Meeting
November 14, 2007

General Public Comment

Casa de la Vista, Building 271
Avenue of the Palms, Treasure Island
San Francisco, CA

Mr. Marc Conners, Good Neighbors of Treasure and Yerba Buena Islands, spoke about the activities taken by Good Neighbors in the previous month. Thanked the Board of Directors for holding the meeting on the Island.

Mr. John Tamen, Rubicon Programs, spoke in support of Rubicon Programs work on the Island. Discussed their programs and success in placing people from their program into long term employment.

Ms. Carissa Harris-Adamson, Treasure Island Sailing Center, spoke in support of TISC and discussed the upcoming programs and events that TISC is involved in. Thanked the TISC staff for their hard work.

Ms. Yvette Phillips-Aldama, TIHDI, spoke about several upcoming activities TIHDI is coordinating, including a visit by S.F.U.S.D. Superintendent Carlos Garcia and several Black History Month on-Island activities and events.

Mr. Atta Piram, Yerba Buena Island resident, spoke in support of better parking enforcement in the Yerba Buena Island residential area as well as a better plan for managing overgrown trees which can pose a fire hazard if they get too close to residences.

Ms. Palak Joshi, TIHDI, spoke about the TIHDI Economic Self-Sufficiency Program and its benefits to Island residents.

Ms. Elizabeth Weis, Yerba Buena Island resident, spoke in support of an effort to address the concerns about overgrown trees raised by Yerba Buena Island residents.

Mr. G.L. Hastings spoke in support of a school, an entertainment area and marine development on Treasure Island as part of the redevelopment project.

Mr. Ned York, John Stewart Company, spoke about the market-rate residential housing operations undertaken by the Treasure Island Villages leasing office.

Ms. Becky Hogue, Treasure Island resident, thanked the Board of Directors for holding a meeting on the Island.

Mr. Christophe Opperman, Yerba Buena Island residents, spoke in support of repairs needed to the Yerba Buena Island units and also in support of a plan for making garbage receptacles raccoon-proof.

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

December 12, 2007 - 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

SF
T34
#1
12/12/07

DOCUMENTS DEPT.
DEC 10 2007
SAN FRANCISCO
PUBLIC LIBRARY

Gavin Newsom, Mayor

DIRECTORS

Claudine Cheng, *President*
Fred Blackwell
Jesse Blout
Jared Blumenfeld
John Elberling, *C.F.O.*
Matthew Franklin
Owen Stephens, *Secretary*
Supervisor Chris Daly *(Ex-Officio)*

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. Report by Director of Island Operations (*Discussion Item*)
   Length of Item: 10 minutes

3. Report by Office of Base Reuse and Development (*Discussion Item*)
   Length of Item: 10 minutes

4. Communications (*Discussion Item*)
   Length of Item: 5 minutes

5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
   Length of Item: 5 minutes

6. Ongoing Business by Directors (*Discussion Item*)
Length of Item: 5 minutes

7. General Public Comment (*Discussion Item*) ***In addition to General Public Comment (Item #7), Public Comment will be held during each item on the agenda.***
Length of Item: 10 minutes

8. **CONSENT AGENDA**
Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a.) Approving the Minutes of the November 14th, 2007 Regular Meeting (*Action Item*)

b.) Resolution Authorizing the Sixteenth Amendment to the Treasure Island Events Venue Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements (*Action Item*)

c.) Resolution Authorizing the Twenty Fourth Amendment to the Treasure Island Land and Structures Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements (*Action Item*)

d.) Resolution Authorizing the Modification of the Museum Storage Master License To Extend the Term to November 30, 2008 (*Action Item*)

e.) Resolution Authorizing the Eleventh Amendment to the Treasure Island Marina Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements (*Action Item*)

f.) Resolution Authorizing the Twenty First Amendment to the Treasure Island South Waterfront Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements (Action Item)

g.) Resolution Approving and Authorizing the Director of Island Operations to Retroactively Execute a Use Permit, including Waiver of Permit Fees, with Chicken Hooray, LLC. for the Use of the Parking Lot at Avenue of the Palms and California Avenue for the Purpose of selling Rotisserie Chicken to Treasure Island Residents (Action Item)

h.) Resolution Authorizing the Third Amendment to the Treasure Island Childcare Center Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements (Action Item)

9.) Resolution Approving and Authorizing the Director of Island Operations to Retroactively Execute a Use Permit, including Rent Credits, with The O'Brien's Group, Inc., for the Use of Building 140, the Nimitz Conference Center, for the Purpose of Operating an Incident Command Post for the Cosco Busan Oil Spill Emergency Center (*Action Item*)
Presented by: Lori Mazzola, Events Coordinator
Length of Item: 10 Minutes

10.) Resolution Approving and Authorizing the Director of Island Operations to Retroactively Execute a Use Permit, including Rent Credits, with The O'Brien's Group, Inc., for the Use of Quarters 62 for the Purpose of Temporary Onsite Housing for the Incident Commander for the Cosco Busan Oil Spill Emergency (Action Item)
Presented by: Lori Mazzola, Events Coordinator
Length of Item: 10 Minutes

11.) Presentation on Comprehensive Tree Plan for Yerba Buena Island (*Discussion Item*)
Presented by: Marc McDonald, TIDA Facilities Director
Length of Item: 10 Minutes

12.) Presentation by San Francisco Police Department (*Discussion Item*)
Presented by: Captain Daniel McDonagh, SFPD Southern Station
Length of Item: 10 Minutes

13.) Presentation by SF MUNI (*Discussion Item*)
Presented by: Debra Johnson, SF Municipal Transit Agency
Length of Item: 10 minutes

14.) Discussion of Future Agenda Items by Directors (*Discussion Item*)

15.). POSSIBLE CLOSED SESSION
If approved by the TIDA Board, this Closed Session item will take place for approximately 30 minutes at the end of the meeting

a. Public Comment on all items relating to closed session

b. Vote on whether to hold closed session to confer with real property negotiators. *(Action item)*

c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Persons negotiating for the Authority: Michael Cohen, Jack Sylvan
Persons negotiating with the Authority: Treasure Island Community Development, LLC, United States Navy
Property: Former Naval Station Treasure Island
Under Negotiation:
Price: _____ Terms of payment: _____ Both: __X__

d. Reconvene in open session *(Action item)*

i. Possible report on action taken in closed session under Agenda Item 15 (Government Code section 54957.1 (a) (1) and San Francisco Administrative Code Section 67.12)

ii. Vote to elect whether to disclose any or all discussions held in closed session *(San Francisco Administrative Code Section 67.12).*

16.) Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

Disability Access

The Treasure Island Development Authority holds its regular meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) at least 72 hours prior to the meeting to help ensure availability.

The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on 1 Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE
(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, http://www.sfgov.org/sunshine/

TIDA 07-08 Expenditures and Revenues
As of December 5, 2007

		Original Budget	Revised Budget	Actuals to Date	Balance
39535	COMMON AREAS MAINTENANCE FEES	0	0	166,258	166,258
39899	OTHER CITY PROPERTY RENTALS	8,088,249	8,088,249	2,446,494	-5,641,755
79999	OTHER NON-OPERATING REVENUE	2,569,790	2,569,790	742,972	-1,826,818
Sources		**10,658,039**	**10,658,039**	**3,355,724**	**-7,302,315**
013	**MANDATORY FRINGE BENEFITS - TOTAL**	**113**	**113**	**0**	**113**
02100	TRAVEL-BUDGET	5,000	5,000	0	5,000
02101	TRAVEL COSTS PAID TO EMPLOYEES	0	0	1,628	-1,628
02102	TRAVEL COSTS PAID TO VENDORS	0	0	629	-629
02200	TRAINING - BUDGET	8,000	8,000	0	8,000
02201	TRAINING COSTS PAID TO EMPLOYEES	0	0	710	-710
02202	TRAINING COSTS PAID TO VENDORS	0	0	219	-219
02300	EMPLOYEE FIELD EXPENSES-BUDGET	500	500	0	500
02302	LOCAL FIELD EXP	0	0	60	-60
02401	MEMBERSHIP FEES	5,000	5,000	0	5,000
02500	ENTERTAINMENT & PROMOTION BUDGET	15,000	15,000	0	15,000
02501	PROMOTIONAL & ENTERTAINMENT EXPENSE	0	0	501	-501
02621	CLERICAL-TEMPORARY	0	0	9,765	-9,765
02700	PROFESSIONAL & SPECIALIZED SVCS-BUDGET	990,000	990,000	0	990,000
02702	ENGINEERING SERVICES	0	525,602	18,909	506,694
02711	SOCIAL SERVICES CONTRACTS	0	118,679	113,500	5,179
02799	OTHER PROFESSIONAL SERVICES	1,119,191	1,543,516	38,181	1,505,335
02800	MAINT SVCS-BUILDINGS & IMPVTS-BUDGET	975,000	975,000	0	975,000
02801	SCAVENGER SERVICES	0	0	3,404	-3,404
02802	JANITORIAL SERVICES	0	0	28,998	-28,998
02803	PEST CONTROL	0	0	978	-978
02805	GROUNDS MAINTENANCE	0	0	200,368	-200,368
03100	RENTS & LEASES-EQUIPMENT-BUDGET	15,000	15,000	0	15,000
03131	OFFICE MACHINE RENTAL	0	0	2,787	-2,787
03199	OTHER EQUIPMENT RENTALS	0	0	2,149	-2,149
03241	TELEPHONE CHARGES - NON WORK ORDER	0	0	542	-542
03500	OTHER CURRENT EXPENSES - BUDGET	7,500	7,500	0	7,500
03531	GRAPHICS	0	0	470	-470
03551	COPY MACHINE	0	0	1,351	-1,351
03552	PRINTING	0	0	181	-181
03561	POSTAGE	0	0	5,006	-5,006
03571	SUBSCRIPTIONS	0	0	389	-389
03581	ADVERTISING	0	0	80	-80
05100	INSURANCE - BUDGET	45,000	45,000	0	45,000
05200	TAXES; LICENSES & PERMITS-BUDGET	211,000	211,000	0	211,000
021	**NON PERSONNEL SERVICES - TOTAL**	**3,396,191**	**4,464,797**	**430,805**	**4,033,993**
04000	MATERIALS & SUPPLIES-BUDGET	16,000	16,000	0	16,000
04699	FOOD	0	0	721	-721
04950	OFFICE SUPPLIES-CITYWIDE CONTRAC	0	0	2,311	-2,311
04975	BOOKS - NON LIBRARY ONLY	0	0	87	-87
04999	OTHER MATERIALS & SUPPLIES	0	0	430	-430
040	**MATERIALS & SUPPLIES - TOTAL**	**16,000**	**16,000**	**3,549**	**12,451**

TIDA 07-08 Expenditures and Revenues
As of December 5, 2007

06F00 FACILITIES MAINTENANCE - BUDGET	**489,000**	**371,327**	**0**	**371,327**
081C5 IS-TIS-ISD SERVICES	3,202	3,202	242	2,960
081CA GF-ADM-GENERAL(AAO)	1,360,713	1,360,713	253,636	1,107,077
081CB GF-RISK MANAGEMENT SERVICES (AAO)	5,000	5,000	5,000	0
081CP GF-CITY PLANNING	235,000	235,000	6,650	228,350
081CT GF-CITY ATTORNEY-LEGAL SERVICES	750,000	750,000	108,920	641,080
081ED GF-BUS & ECN DEV	235,000	235,000	0	235,000
081ET GF-TIS-TELEPHONE(AAO)	14,900	14,900	3,295	11,605
081EV GF-ENVIRONMENT	49,545		0	49,545
081FD GF-FIRE	2,764,414	2,764,414	1,566,934	1,197,480
081H2 GF-HR-MGMT TRAINING	3,000	3,000	0	3,000
081MR EF-MUNICIPAL RAILWAY	40,000	40,000	0	40,000
081PA IS-PURCH-CENTRAL SHOPS-AUTO MAINT	3,000	3,000	486	2,514
081PF IS-PURCH-CENTRAL SHOPS-FUEL STOCK	2,000	2,000	259	1,741
081PR IS-PURCH-REPRODUCTION	25,000	25,000	88	24,912
081PS GF-POLICE SECURITY	776,809	776,809	129,924	646,885
081UH GF-PUC-HETCH HETCHY	1,100,000	1,100,000	159,915	940,085
081WB SR-DPW-BUILDING REPAIR	1,169,152	1,169,152	219,327	949,825
081WE SR-DPW-ENGINEERING	0	65,000	0	65,000
081WM SR-DPW-CONSTRUCTION MGMT	20,000	144,236	111,172	33,064
081 SERVICES OF OTHER DEPTS - TOTAL	**8,556,735**	**8,696,426**	**2,565,848**	**6,180,123**
086 EXPENDITURE RECOVERY	**-1,800,000**	**-1,800,000**	**-450,000**	**-1,350,000**
Uses	**10,658,039**	**11,748,663**	**2,550,202**	**9,248,007**

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-4603

HEATHER J. FONG
CHIEF OF POLICE

ENTERED
DEC 2007
TREASURE ISLAND DEVELOPMENT AUTHORITY

December 4, 2007

Ms. Mirian Saez
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics – November 2007

Dear Ms. Saez:

There were fifteen incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of November 2007. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Daniel.McDonagh@sfgov.org if you have any questions.

Sincerely,

Daniel McDonagh
Captain – Southern Station

By: Louis J. Glaser
Officer Louis Glaser
Southern Station
(415) 553-7959

ATTACHMENT A

OCC. DATE	REP. DATE	LOCATION	TYPE	COMMENTS	CASE NUMBER
10/31-11/1	11/1/07	1200 blk Exposition Dr.	Burglary/Apartment	POI Rear glass door	071119600
11/2-11/4	11/5/07	1200 blk Gateview Av	Burglary/Residence	POI Rear glass door	071136983
11/2-11/5	11/5/07	1100 blk Ozbourn Ct	Burglary/Apartment	POI Rear glass door	071136842
11/3-11/5	11/5/07	400 blk 13th St.	Malicious Mischief/Graffiti	T.I. School	071135048
11/2-11/6	11/6/07	600 blk 8th St	Theft From Building	Suspect unk	071139357
10/28/07	11/7/07	Address Withheld	Runaway Juvenile	"	071143552
11/10/07	11/11/07	1100 blk Keppler Cr	Burglary/Apartment	POI Rear glass door	071156743
11/17/07	11/17/07	1100 blk Ozbourn Ct	Suspicious Occurrence		071178894
11/17-11/18	11/18/07	1400 blk Sturgeon St	Theft From Building	Stolen vehicle	071182497
11/23-11/25	11/25/07	1200 blk Gateview Ct	Malicious Mischief/Vandalism to vehicle		071206326
11/25/07	11/25/07	500 blk 4th St. T.I.	Burglary/Other building	Front door lock cut	071208582
11/27/07	11/27/07	Address Withheld	Battery/Former Spouse		071213622
11/12-11/18	11/30/07	500 blk California	Theft From Building	Suspect unk	071226998
11/30/07	11/30/07	800 blk Av D	Suspicious Occurrence		071228314
11/30/07	12/1/07	12 th Av	Suspicious Occurrence		071231464

Part 1 Crimes November, 2007

Assult 1	Robbery	Homicide	Arson	
Burglary 5	Sex Offenses	Vehicle Theft	Larceny 3	Total 9

SFPUC
WATER
WASTEWATER
POWER

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
WATER QUALITY BUREAU
1657 ROLLINS ROAD, BURLINGAME, CA 94010 • Tel. (650) 652-3100 • Fax (650) 652-3142

GAVIN NEWSOM
MAYOR

RYAN L. BROOKS
PRESIDENT

ANN MOLLER CAEN
VICE PRESIDENT

E. DENNIS NORMANDY
RICHARD SKLAR
DAVID HOCHSCHILD

SUSAN LEAL
GENERAL MANAGER

ANDREW DeGRACA
BUREAU MANAGER

November 19, 2007

ENTERED
PS, RS, FA, FLC
NOV 2007
TREASURE ISLAND DEVELOPMENT AUTHORITY

Mr. Peter Summerville
Treasure Island Facilities
410 Avenue of Palms, Building 1, 2nd Floor
San Francisco, California 94130

Re: Bottled Water Purchase Phase Out – Treasure Island Facilities
Water Quality Inspection and Sampling Results

Dear Mr. Summerville:

The San Francisco Public Utilities Commission (SFPUC) supplies its customers with water that meets or exceeds all federal and state Safe Drinking Water Act requirements. In some rare cases, water quality can degrade within buildings due to localized plumbing problems leading to consumer concerns. At your request, the SFPUC recently inspected your facility and collected water samples to determine if any localized plumbing problem exists. The results of the inspection and sampling (attached) showed that the vast majority of sample results were within normal ranges. You have a few isolated minor issues at the highlighted sample site locations shown on the attachment. These minor issues can be mitigated by conducting more frequent flushing before using the water. Alternatively, your department can consider installing a bottle-less water dispenser, containing an aesthetic point-of-use filter, which can be procured via an existing Purchasing Department contract.

If you have any additional questions, please feel free to contact Mike Conroy (650) 652-3128 or me.

Sincerely,

Andrew DeGraca, P.E.

cc: Michael Conroy

Mayor's Bottled Water Directive

Treasure Island Facilities-Drinking Fountains/ Break Rooms

10/16/07

Date	Address	Sample Location	Chlorine Residual[1]	Temp °F	Total Coliform Bacteria[2]	Alkalinity MG/L	Chloride MG/L	Conductivity UMHOS/CM	Hardness $CaCO_3$	Turbidity NTU[3]	pH	Copper MG/L[4]	Iron MG/L[5]	Comments [A,B]
10/16/07	Admin. Bldg.	Room 207	1.49	66	A	16	3	61	14	0.34	9.16	0.1	0.1	
10/16/07	Bldg. 264	Kitchen sink	0.43	69	A	16	3	65	14	0.56	8.98	0.1	0.1	See A
10/16/07	Treatment Plant	Kitchen sink	1.17	64	A	16	3	64	18	0.38	9.18	0.1	0.1	
10/16/07	Fire Dept. Training F	Kitchen sink	0.42	66	A	14	4	65	16	0.39	8.94	0.1	0.2	See A
10/16/07	Fire Station	Kitchen sink	1.36	64	A	16	3	64	14	0.31	9.22	0.1	0.1	
10/16/07	Police Substation	Kitchen sink	1.38	70	A	16	3	63	12	0.34	9.18	0.1	0.1	
10/16/07	Police Substation	Bathroom sink	1.41	72	A	16	3	65	16	0.32	9.24	0.1	0.1	
10/16/07	DPW Front Bathroom	Room 156 sink	1.41	72	A	16	3	62	16	0.35	9.31	0.1	0.1	
10/16/07	DPW Back Bathroom	Room 156 sink	1.42	70	A	16	3	62	14	0.31	9.14	0.1	0.1	

[1] Anything <1.0 indicates very low tap usage, building dead end, or high building detention time

[2] A is Absent ; P is Present

[3] Turbidity above 1.0 indicates some type of plumbing issue (i.e. corrosion)

[4] Regulatory Action Level is 1.3

[5] Regulatory secondary Aesthetic (non-health) standard is 0.3

Comments

[A] Lower Chlorine / High Temperature = Low usage, Flush

[B] High NTU/High Iron = Galvanized pipe

BAY BRIDGE NEWS
We're making history.
CALTRANS BAY AREA TOLL AUTHORITY CALIFORNIA TRANSPORTATION COMMISSION
The Newsletter of the San Francisco-Oakland Bay Bridge *Visit our website: BayBridgeInfo.org* *NOVEMBER 2007, ISSUE 3*

350-FOOT SECTION OF BRIDGE REPLACED OVER LABOR DAY WEEKEND

GREATEST CHALLENGE YET FOR BAY BRIDGE TEAM

As work nears completion on the Bay Bridge's West Approach in San Francisco, it is accelerating on the new East Span between Oakland and Yerba Buena Island (YBI), where an entirely new bridge is being constructed to the north of the existing truss-cantilever structure. When completed in 2013, the new span will consist of several primary structures, including a 1.2-mile elevated Skyway, a signature Self-Anchored Suspension (SAS) span, a permanent transition structure connecting the SAS to the YBI Tunnel, and a new Oakland touchdown structure connecting the Skyway with the Oakland shore.

The monumental work that was performed on the West Approach over Labor Day weekend in 2006 served as a "dry run" for the even more complex work that was performed this past Labor Day weekend near YBI, when a large section of roadway on the bridge's upper deck was removed and a 350-foot-long, seismically upgraded replacement section was rolled into place. This work required a full bridge closure—the first since the 1989 Loma Prieta earthquake closed the bridge for a month.

THE YBI VIADUCT REPLACEMENT

The process of performing this work was nothing short of an engineering wonder. Although this procedure had been performed elsewhere, this was perhaps the first time that such ambitious work was attempted within such a narrow timeframe.

The objective over Labor Day weekend was to close the bridge on Friday at 8 p.m.—after the rush of holiday traffic had diminished—and to open it to traffic at 5 a.m. on Tuesday, in time for heavy weekday traffic to resume. Contractor CC Myers, Inc., which completed the repair of the MacArthur Maze freeway structure in record time, has built a career performing major demolition and construction work under tight deadlines and was well prepared for the task at hand.



DEMOLISH AND REPLACE...

With the bridge closed to traffic, a 350-foot section of the upper deck was cut out and removed. Once the debris was cleared away, a new section of seismically upgraded roadway (right) was slid into place and positioned on new columns. The entire operation was completed in just 70 hours and the bridge was reopened 11 hours ahead of schedule.

When the bridge was closed on Friday night, demolition began on a 350-foot (6,500 ton) section of the upper deck, known as the YBI Viaduct. A new replacement structure had been previously constructed to the south of the existing roadway and was resting on temporary support columns. Working with near surgical precision to avoid damaging the new columns, crews cut through concrete between the girders on the old structure, and a giant ringer crane lifted out huge, multi-ton sections of roadway and loaded them onto trucks to be hauled away. By late Saturday evening, crews had carved out a precise football-field-sized hole on the upper deck and had laid rails across the lower deck. The rails would be used to glide the new section of seismically upgraded roadway into place.

As soon as the demolition was completed and the tons of debris had been cleared, the new structure was lifted by computer-controlled hydraulic jacks and skidded into place along the temporary tracks, with a mere three-inch leeway on each side. The operation was unexpectedly fast—requiring slightly less than three hours—roughly half the time that was predicted. Once in place, the new roadway was grouted and striped, electricity restored, the jacks and rails removed, and the bridge

(continued)



BUILDING THE NEW ROADWAY SECTION

Crews at work on the YBI Replacement Viaduct next to the existing Bay Bridge. Once the old section of the upper deck was cut away, the new 6,500-ton structure was slid into place.

THE ROAD AHEAD: TRANSITION STRUCTURES AND YBI TEMPORARY BYPASS STRUCTURE

The work over Labor Day weekend represents the first a series of phases to build a 900-foot temporary det structure and permanent transitional roadways near Yerba Buena Island. These new roadways, which are slated for completion around the same time as the new Self-Anchored Suspension (SAS) span, will connect the western end of the SAS span to the YBI Viaduct, and will segue the side-by-side road decks of the new span to the upper and lower decks of the existing Yerba Buena Island tunnel and the West Span.

Constructing the permanent transitional structures near Yerba Buena Island can only be accomplished with a major traffic shift south of the island onto a Temporary Bypass Structure, which will route both east and westbound traffic from the exiting East Span around the southern side of the island and connect with the existing YBI Tunnel. Traffic is slated to be shifted to the Temporary Bypass Structure in 2009, following the completion of an East Tie-In. This will represent the most complex traffic shift yet on the Bay Bridge.

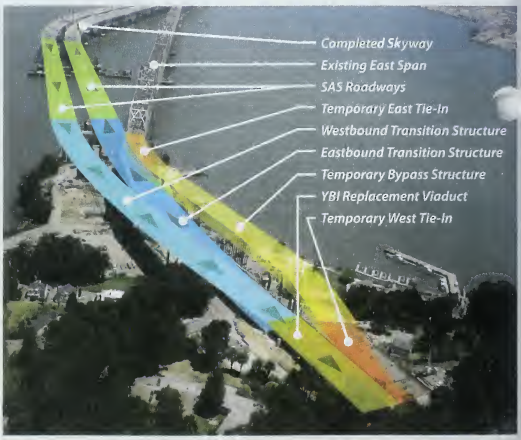
Greatest Challenge Yet (continued)

reopened to traffic. All this in only 70 hours—11 hours ahead of schedule!

When the bridge reopened on Monday evening, the most apparent change to motorists was at the toll plaza, which featured new FasTrak lane configurations and signs. The massive work that had been performed on the bridge was much harder to detect, but essential nonetheless. "The YBI Viaduct will be part of the permanent structures connecting the western end of the SAS to the Yerba Buena Island tunnel. It is critical that it meets the same seismic safety requirements as the new bridge," said Bay Bridge Project Manager Ken Terpstra. "Replacing this section of roadway under a full bridge closure made sense," he added. "We now have a new seismically safe roadway with a longer life span, which was placed without jeopardizing the safety of our workers or motorists."

WHERE IT ALL COMES TOGETHER

The construction of a temporary bypass structure east of the YBI tunnel will enable traffic to keep flowing while the permanent transition structures are built.



NEW PUBLIC INFORMATION OFFICE OPENS ON TREASURE ISLAND

Because much of the upcoming work on the East Span will affect neighbors near Yerba Buena Island, a new Yerba Buena/Treasure Island Public Information Office has been established. The office will be staffed by Caltrans Public Information Officer Margena Wade, who has provided extensive outreach support to project neighbors near the West Approach since 2003.

The office is located at 410 Avenue of the Palms, Bldg 1 Room #169. Open 10:00am–3:00pm Monday through Friday. Phone (415) 288-8802.





THE SAN FRANCISCO-OAKLAND
BAY BRIDGE
SEISMIC SAFETY PROJECT

DRAFT

Public Announcement

POTHOLE REPAIRS ON MC CALLA ROAD

- Porthole repairs will take place beginning at 7:00 AM until 6:00 PM Saturday morning. November 17, 2007on Macalla Road.
- Macalla Road will not be closed. On-site flaggers and SFPD will be directing traffic throughout the detour.
- Motorists using Macalla Road may experience slight delays.

For more information, please visit our website at www.baybridgeinfo.org or contact our public information officer, Margena Wade at (415) 597-5895.

PLEASE, REMEMBER TO SLOW FOR THE CONE ZONES

THANK YOU!

INFRASTRUCTURE
ENGINEERS, INC.
consulting engineers | commercial divers

November 13, 2007

Ms. Patricia McFadden
Treasure Island BRAC PMO West

Subject: **PRELIMINARY FINDINGS LETTER REPORT**
ROUTINE INSPECTION OF BRIDGES (NBIS)
NAVAL STATION TREASURE ISLAND, YERBA BUENA ISLAND, CA
Contract N62473-06-D-3024, Delivery Order 12

Dear Ms. McFadden:

Infrastructure Engineers, Inc. performed routine bridge inspections on Bridges 1 through 6 on Yerba Buena Island on October 15th through the 18th, 2007.

Personnel involved were as follows:

Naval Facilities Engineering Command, East Coast Detachment
Ted Wisniewski

Infrastructure Engineers, Inc.
Gregg Hostetler
Andrew Young
Donald Roberts

BRIDGE DESCRIPTION

The bridges inspected in this cycle can be categorized into three types based on the superstructure of each. Bridges 1 through 4 are steel multi-beam bridges. Bridge 5 is an AASHTO prestressed concrete beam bridge. Bridge 6 is a reinforced concrete viaduct.

OVERVIEW OF WORK PERFORMED

Infrastructure Engineers Inc. was tasked with performing inspections of the NBIS qualifying bridges at Naval Station Treasure Island, on Yerba Buena Island, California. The inspection team arrived on site at 0930 October 15th, and met with the designated NAVFAC escort, Mr. Ted Wisniewski. The bridge inspections commenced immediately that morning. The inspection and assessment addressed the following structures off base: Bridges 1 through 6. The inspection included the examination of all of the exposed bridge components and related features, including the deck, superstructure, substructure, approach roadway, and signage. The inspection of the underside and substructures of Bridges 2 and 3 was postponed to the week of December 3rd through the 7th in order to examine the structures with a rope access team.

2121 Old Hickory Tree Road
Saint Cloud, Florida 34772
Phone 407.957.1660
Fax 407.957.8744

The most significant inspection findings to date are as follows:

- There are two impending spalls in the outside face of the north barrier of Bridge 2. The spalls are aligned over the north shoulder of traffic below, and pose a safety hazard to motorists below. A verbal notification of these conditions was made immediately following their discovery, and an e-mail notification, with photographs, followed shortly thereafter.
- The flexible sealant in many of the Bridge 2 expansion joints has lost adhesion and flexibility and has detached and fallen into the joints, allowing moisture to penetrate through to the superstructure and substructure.
- The paint system on Bridges 2, 3, and 4 is in very poor condition with widespread chalking, blistering, and peeling of the paint. There is widespread surface corrosion on the bridges with isolated areas of more active corrosion, pitting, and minor section loss. No significant section loss was found on any primary bridge members to date. The paint system at Bridge 1 is in fair condition, with widespread minor chalking, and isolated areas of blistering and peeling paint.
- The sidewalks, barriers, and decks of Bridges 1 through 6 have random areas of minor cracking and spalling.

LOGISTICS

Portions of the under deck, superstructure, and substructure were inspected with the aid of binoculars and a bucket truck. Lane closures were required to inspect Bridges 1 and 2 in order to access the undersides of the bridges with the bucket truck. A rope access team will accompany the inspection team December 3rd to the 7th to complete the under bridge portion of the inspections for Bridges 2 and 3.

CONCLUSIONS

These routine bridge inspections did not reveal any significant structural deterioration of the structures. The only immediate safety concerns are the spalls on the Bridge 2 barrier over the travel lane. In general, the structures are in fair to good condition. A complete inspection report, including detailed findings and recommended repairs for each bridge, will be delivered according to the schedule outlined in Contract N62473-06-D-3024.

Should you have any questions in regards to the preliminary findings stated herein, please do not hesitate to contact me.

Sincerely,
Infrastructure Engineers, Inc.

Gregg A. Hostetler, P.E.
Project Manager and Team Leader

2121 Old Hickory Tree Road
Saint Cloud, Florida 34772
Phone 407.957.1660
Fax 407.957.8744

Memo

TIHDI
410 Palm Ave. Rm 162
San Francisco, CA 94130
415-274-0311
www.tihdi.org

To: **Everyone**

From: Shannon Wise, Administrator, TIHDI

CC: Sherry Williams, Executive Director, TIHDI

Kristy Koberna, Executive Director, Tax Aid

Date: November 9, 2007

Re: **"NEW Free Tax Site 2008 on Treasure Island!"**

"NEW Treasure Island Tax Site 2008!"
Located in our new Business Assistance Center located in the Ship Shape building
Open to all island residents

I am please to announce that TIHDI will provide a new free tax preparation site beginning January 2008 here on the island. This is in conjunction with the 'Earn-it-Keep-it-Save-it' campaign that many of you may be familiar with.
http://www.uwba.org/eks/

Tax preparation is FREE to tax filers, however ***there are income guidelines.*** To qualify for free tax help, 2007 income needs to be ***42,000 or less*** (if may be a little higher for married couples filing joint) & US citizenship **is not** required.

Dates & Times:
The site will open Monday January 28th.
Regular hours will be every Monday 5pm-8pm & every Saturday from 11am-2pm.
We also plan to be open every night for the first 3 weeks of tax season (1/28/08-2/15/08)
***As we progress further into the tax season we will begin to schedule appointments on an as-needed basis.

Volunteers: We need volunteers.

Currently, Bart Rugo, a Treasure Island resident and IRS retiree, and myself will be doing tax preparation. Since this is our first year, we are unsure about client volume. However, if you are interested in becoming a certified tax preparer let me know asap so that your training can begin. There are class dates coming up in January and usually consist of 3 Saturday classes or an online course instead.

Outreach: Our goal is to begin outreach now, so that our resident s knows about this service early before rushing to those paid preparers that charge money.

Banking Partner: Citibank has agreed to become our banking partner and they will provide information regarding bank accounts, which is in conjunction with the 'Bank on San Francisco' program.
http://www.sfgov.org/site/bankonsf

This service is ideal for low or fixed income families/individuals, part-time employees, Treasure Island employees, students, roommates etc.
IT'S CONVENIENT AND FREE.
Help spread the word and forward this information on. Thanks



DON'T PAY FOR TAX PREPARATION

If you earn less than $42,000 this year you can get your taxes prepared for

FREE!

AT THE NEW TREASURE ISLAND FREE TAX PREPARATION SITE

For Appointments
Call the Phone Number Listed below

Treasure Island
Ship Shape Building 497 Ave I
Treasure Island, 94130

Drop-in Available - Monday-Friday, January 28 – February 15;
5:00 p.m.-8:00 p.m.
Saturday, February 2 and 9;
11:00a.m.-2:00 p.m.

Appointments Available – January 28 – April 15, call 415-274-0311

- Disabled access

Volume 1, Issue 4
December 2007—February 2008

ISLANDS UNITED

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YMCA	7

Save the Date!

- **December 5—Hanukah Begins**
- **December 25—Merry Christmas**
- **December 26—Happy Kwanza**
- **January 1—Happy New Years**
- **January 21—Martin Luther King Jr.**
- **February 2—Groundhog's Day**
- **February 14—Happy Valentine's Day**
- **February 18—Presidents Day**

Do you have an article or a message that you want to share with the community? Are you moving and would like to sell some of your items? Do you have an idea on what you would like to see on the next news letter? Whatever it is, e-mail it to YLEE@Jsco.net in an attachment as a Word document before February 15, 2008.

TO THE RESIDENTS

Dec. 1, 2007

Dear Residents of Treasure and Yerba Buena Islands,

As we are in the midst of the holiday season we would like to encourage you to be extra vigilant as the crime rate in all parts of the city tends to be elevated at this time.

SFSafe.org makes the following recommendations for home safety.

Home Burglary Prevention (see more at SFSafe.org)

- Keep all doors and windows locked.
- Gifts and valuables should be kept out of sight and away from windows.
- If you are traveling, ask a neighbor to watch your house.
- If you have an alarm system, use it!
- Put timers on different lights throughout the interior and exterior of the house.
- Have newspapers, mail and deliveries held or picked up by someone you trust.
- Take a home inventory of your valuables & record serial numbers; engrave property with your CA driver's license number or ID number. Photograph your items.
- Do not publicize that you will be out of town for the holidays on your answering machine or to others whom you don't know.
- Schedule a Residential Security Survey with SAFE.
- Start a SAFE Neighborhood Watch group so you and your neighbors can identify and report suspicious activities

Keep the Islands safe and peaceful – please keep in mind the following when think about gifts for your children:

- Discharging a fire arm of any kind (gun, BB gun, air rifle, paintball gun, etc) is prohibited anywhere on the Island.
- Riding pocket bikes is prohibited anywhere on the Island.
- Possessing or discharging fireworks anywhere on the islands is prohibited.

Any of the above can negatively affect your residency on the Islands

To report an emergency or a crime in progress call 911.
For non-emergency police related issues please call 415-553-0123
To make an anonymous report, call 415-552-4901

THANKS TO VOLUNTEERS!



Written by Good Neighbors

Many thanks to Good Neighbors volunteers Mason, Isaiah, Kara, Edwin and Mark (not shown) for responding to a request from the Coast Guard, via Coast Guard and Good Neighbor member Susan Krala, for assisting Sgt. Ryan in cleaning up the helipads at the beginning of the recent oil spill!

REPORTING UTILITY OUTAGES AND HAZARDS ON TREASURE AND YERBA BUENA ISLANDS

Treasure Island Villages Residents

Treasure Island Villages Office - (415) 834-0211
(Hours: M, W, F, Sat. 8:30A—5P; Tu., Th. 8:30A-7P; Sun. closed)
Treasure Island Villages After-Hours Line - (415) 445-2184
San Francisco Fire Department Dispatch - (415) 558-3268
If the utility issue poses an immediate threat to life safety, dial 911

For utility problems inside your residence: (such as: no hot water, gas odor, electrical problems)
DO NOT ATTEMPT TO FIX THE PROBLEM ON YOUR OWN
1.) Contact the Treasure Island Villages immediately

If you smell gas outdoors:
1.) Contact the San Francisco Fire Department immediately. Be prepared to provide the on-Island location where the odor is located. THEN ALSO:

2.) Contact the Treasure Island Villages immediately

If you see a downed power line outdoors:
DO NOT TOUCH OR GO NEAR THE POWER LINE. KEEP OTHERS FROM DOING SO AS WELL.
1.) Contact the San Francisco Fire Department immediately. Be prepared to provide the on-Island location where the downed line is located. THEN ALSO:

2.) Contact the Treasure Island Villages immediately

Please remember that following these procedures will assure a prompt and accurate response. Thank you for your cooperation.

Utilities on Treasure and Yerba Buena Island are managed by the San Francisco Public Utilities Commission. For further information or general inquiries, call (415) 551-3000 or visit www.sfwater.org

The Villages Garden Corner

Do You Have A Green Thumb?



If you have a backyard or front yard that you have worked hard on and would like for us to publish it in our next newsletter, please call Loraine at 415-834-0211. Also, please note that there is no digging allowed in the back or front yard, however the leasing office does provide pots and soil to our residents.



These pictures were taken from a resident backyard on Treasure Island. The resident added stones around the trees to make it a focal point and help make their backyard look like it's been professionally done without digging. They laid planks to give the illusion of a walkway. This shows you that just using simple items such as rock and planks can help you beautify your backyard too!



YMCA Offers Pilates Classes

Pilates improve your mental and physical well being, increase flexibility and strengthen muscles. Pilates uses controlled movements in the form of mat exercises or equipment to tone and strengthen the body. Pilates increases circulation and helps to sculpt the body and strengthen the body's core or "powerhouse". People who do Pilates have better posture, are less prone to injury and experience better overall health.

Classes run every Monday and Wednesday, 5 pm – 6 pm, December 5, 2007 – January 30, 2008. Participants must be at least 18 years or older.

Classes are taught by a certified instructor, Lee Pazmino.
If you have any questions, please ask the YMCA staff or e-mail: leecpazmino@ymca.org

TI Sailing Center Spring 2008Registration Open



This Spring TISC has a bunch of classes for all of our young sailors, including beginner/intermediate opti class, opti race team, and high school and laser race team.
Registration closes on December 14 for High School and Laser Race Team session 1, and **on February 15 for all other classes**.

Visit http://www.tisailing.org/sailing/youth.cfm to learn about each class that is offered, and visit http://www.tisailing.org/sailing/youth.cfm/display/registration to download registration forms. Please note that a 2008 medical/liability form must be completed for all students.
All opti sailors must take two beginner/intermediate classes before moving to the Race Team.

We look forward to a great spring sailing season!
Feel free to call with any questions.
--
Amy Lyons
Program Director
Treasure Island Sailing Center
415.421.2225
amy.lyons@tisailing.org

New Island LGBT Forum



Interested in meeting other LGBT residents on the Islands? Maybe have monthly coffee klatches, brunch or other social events related to our community? A new forum has been created to help facilitate us getting to know each other.
The list is closed, meaning that you have to be a member to be able to read and add to the content. To join the forum:

Establish a logon to this website: www.treasureislandonline.net

- Logon and go to the Forum section
- Click on the LGBT form, you should find instructions there to join the list.
- Once the request is received, it will be approved and you will be notified.

SCHEDULE OF EVENTS

- Dec. 5—Hanukah Begins
- Dec. 8—Good Neighbors 3rd General Membership Mtg., 11 AM Shipshape Bldg.
- Dec. 12—TIDA Board Meeting, 1:30 PM City Hall Rm. 400
- Dec. 18—RAB Meeting, Casa de la Vista, 7:00 PM
- Dec. 25—Merry Christmas
- Dec. 26—Happy Kwanza

December 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1 Rent Due
2	3 Chicken Hooray!	4		6	7	8 G. N. Mtg
9	10 Chicken Hooray!	11	12 TIDA Board Mtg.	13	14	15
16	17 Chicken Hooray!	18 RAB Mtg.	19	20	21	22
23	24 Chicken Hooray!			27	28	29
30	31 Chicken Hooray!					

SCHEDULE OF EVENTS

- Jan. 1—Happy New Year!
- Jan. 9—TIDA Board Mtg., City Hall, 1:30PM
- Jan. 10—Good Neighbors Parents & Youth Committee Meeting, Boys & Girls Club (401 13th Ave.) 6:00PM
- Jan. 16—Community Meeting, Ship Shape Bldg. 6:30PM
- Jan.—Martin Luther King Jr. Day

January 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			2 Rent Due	3	4	5
6	7 Chicken Hooray!	8	9 TIDA Board Mtg.	10 G.N P&Y Committee Mtg.	11	12
13	14 Chicken Hooray!	15	16 Community Mtg.	17	18	19
20	21 Martin Luther King Jr. Day	22	23	24	25	26
27	28 Chicken Hooray!	29	30	31		



E ISLAND YMCA

415-765-9037

PCOMING PROGRAMS

ORAN KARATE

DNESDAY 6:00 PM – 7:00 PM
KILL LEVELS FREE TO ALL MEMBERS

IG CHALLENGE

AM – 1:00 PM / 5:45 PM – 7:00 PM
DAY 5:45 PM- 5:00 PM
NE FREE TO ALL MEMBERS

GHT FAMILY NIGHT

AY NIGHT 7:00 PM- 9:00 PM

PILATES

DNESDAY 5:00 PM - 6:00 PM
FIED INSTRUCTOR
IN MONDAY NOV. 26, 2007

IF YOU HAVE ANY FURTHER QUESTIONS PLEASE FEEL FREE TO CONTACT OUR OFFICE. THANK YOU FOR YOUR CONTINUED SUPPORT.

YMCA
We build strong kids,
strong families, strong communities.

SCHEDULE OF EVENTS

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Decen

SUN	MON	TUE
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30	31 Chicken Hooray!	

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Janu

SUN	MON	TUE				
						
6	7 Chicken Hooray!	8				
13	14 Chicken Hooray!	15	Community Mtg.			
20	21 Martin Luther King Jr. Day	22	23	24	25	26
27	28 Chicken Hooray!	29	30	31		

Why San Francisco Needs 311







"San Francisco citizens, businesses, and visitors have a right to outstanding service from the city government," says Mayor Gavin Newsom. And now – with the public launch of a toll-free, **311** service – accessing all of San Francisco's city and county services will be faster and easier.

Every year, San Francisco government agencies receive over seven million phone calls, of which 40% are never fully addressed. With **311**, we will be able to drastically reduce the volume of phone calls and decrease administrative burden which will in turn, allow city employees to more effectively address customer service needs.



"Those most in need of city services, such as the elderly, those living at or below the poverty line, and new arrivals to San Francisco, are least likely to find their way through this confusing bureaucratic maze."

– Mayor Gavin Newsom

3-1-1 For Information and Assistance

- CITY GOVERNMENT SERVICES
- CITY AGENCY HOURS AND LOCATIONS
- GRAFFITI REMOVAL
- POTHOLE REPAIR
- ABANDONED VEHICLES
- MUNI BUS ROUTES AND SCHEDULES
- RECREATION AND PARKS SCHEDULES
- COMMISSION MEETING SCHEDULES
- MARRIAGE LICENSES
- DOMESTIC PARTNER REGISTRATION
- MUSEUM AND PERFORMING ARTS EVENTS
- CITY SPONSORED EVENTS
- TAX AND FEE PAYMENTS
- ANIMAL LICENSES
- CONTACTING CITY OFFICIALS

E ISLAND YMCA

415-765-9037

PCOMING PROGRAMS

OKAN KARATE

'DNESDAY 6:00 PM – 7:00 PM
KILL LEVELS FREE TO ALL MEMBERS

IG CHALLENGE

AM – 1:00 PM / 5:45 PM – 7:00 PM
DAY 3:45 PM- 5:00 PM
NE FREE TO ALL MEMBERS

GHT FAMILY NIGHT

AY NIGHT 7:00 PM- 9:00 PM

PILATES

DNESDAY 5:00 PM – 6:00 PM
FIED INSTRUCTOR
N MONDAY NOV. 26, 2007

IF YOU HAVE ANY FURTHER QUESTIONS PLEASE FEEL FREE TO CONTACT OUR OFFICE. THANK YOU FOR YOUR CONTINUED SUPPORT.

YMCA
We build strong kids,
strong families, strong communities.

SCHEDULE OF EVENTS

- Dec. 5—Hanukah Begins
- Dec. 8—Good Neighbors 3rd General Membership Mtg., 11 AM Shipshape Bldg.
- Dec. 12—TIDA Board Meeting, 1:30 PM City Hall Rm. 400
- Dec. 18—RAB Meeting, Casa de la Vista, 7:00 PM
- Dec. 25—Merry Christmas
- Dec. 26—Happy Kwanza

Decen

Sun	Mon	Tue
2	3 Chicken Hooray!	4
9	10 Chicken Hooray!	11
16	17 Chicken Hooray!	18 RAB Mtg.
23	24 Chicken Hooray! 	
30	31 Chicken Hooray!	

For 24/7 information and assistance with city government services, call **311** toll-free. From outside the 415 area code, call **415-701-2311**. TTY **415-701-2323**.

311 SAN FRANCISCO AT YOUR SERVICE

To schedule a 311 Customer Service Center presentation at your next neighborhood association or merchant group meeting, please call: **415-701-3100**.

SCHEDULE OF EVENTS

- Jan. 1—Happy New Year!
- Jan. 9—TIDA Board Mtg., City Hall, 1:30PM
- Jan. 10—Good Neighbors Parents & Youth Committee Meeting, Boys & Girls Club (401 13th Ave.) 6:00PM
- Jan. 16—Community Meeting, Ship Shape Bldg. 6:30PM
- Jan.—Martin Luther King Jr. Day

Janu

Sun	Mon	Tue				
						
6	7 Chicken Hooray!	8				
13	14 Chicken Hooray!	15	Community Mtg.			
20	21 Martin Luther King Jr. Day	22	23	24	25	26
27	28 Chicken Hooray!	29	30	31		

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TREASURE ISLAND YMCA

402 AVENUE M. 415-765-9037

CURRENT & UPCOMING PROGRAMS

SHOTOKAN KARATE

MONDAY & WEDNESDAY 6:00 PM – 7:00 PM
OPEN TO ALL AGES & SKILL LEVELS FREE TO ALL MEMBERS

WALKING CHALLENGE

THURSDAY 11:45 AM – 1:00 PM / 5:45 PM – 7:00 PM
SATURDAY 3:45 PM- 5:00 PM
OPEN TO EVERYONE FREE TO ALL MEMBERS

FRIDAY NIGHT FAMILY NIGHT

EVERY FRIDAY NIGHT 7:00 PM- 9:00 PM

PILATES

MONDAY & WEDNESDAY 5:00 PM - 6:00 PM
CERTIFIED INSTRUCTOR
CLASSES BEGIN MONDAY NOV. 26, 2007

IF YOU HAVE ANY FURTHER QUESTIONS PLEASE FEEL FREE TO CONTACT OUR OFFICE. THANK YOU FOR YOUR CONTINUED SUPPORT.

YMCA
We build strong kids,
strong families, strong communities.

Blue cart recycling

Carrito azul de reciclaje • 藍色回收箱可回收



Not Accepted

No food
No plastic bags
No toxic products

No Se Acepta

No comida
No bolsas plásticas
No productos tóxicos

不可回收

食物不可
塑膠袋不可
有毒產品不可

SFRecycling.com

More blue is very "green"

It's easy and important to recycle with your blue cart



Bottles

"All bottles" means all glass containers and all plastic bottles.

Cans

Both aluminum and steel/tin cans are accepted.

Paper

Please put all paper in the blue cart. Examples include: newspaper, magazines, junk mail, cereal and other paper boxes, and cardboard.

Tubs

Plastic tubs and lids numbered 2 4 5 can be recycled.

Every day, more people realize the world really is a small place and that we all share a common responsibility — to help protect the planet for our children and for future generations.

If we all take steps to reduce pollution, our combined efforts can result in big improvements. Recycling is one of the simplest and most direct ways to help protect the environment.

For example, recycling one ton of paper conserves 17 trees, 7,000 gallons of water, 4,000 kilowatt hours of electricity and 60 pounds of pollutants.

Treasure Island residents can place all bottles, cans and paper together in the blue (recycling) cart. Being able to put all recyclables in one cart makes recycling easy and convenient for customers.

Recycling collectors, employed by Golden Gate Disposal & Recycling Company, empty the blue carts into neighborhood route trucks and deliver the contents to Recycle Central, a modern sorting facility on Pier 96 in San Francisco. Inside the plant recyclables move across conveyor belts and are separated by a combination of specialized equipment and hand sorting.

Damage to the environment is difficult, expensive and sometimes impossible to turn around. Remember, it is just as easy to place bottles, cans and paper in the blue cart as it is to toss them in the garbage, which goes directly to landfill. Please recycle. It helps protect our planet and our children.

People • Service • Environment
GOLDEN GATE DISPOSAL & RECYCLING COMPANY
Proud to be Employee Owned

SF Environment
Our home. Our city. Our planet.
A Department of the City and County of San Francisco

(415) 626-4000

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February 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 Rent Due	
3	4 Chicken Hooray!	5	6	7	8	9
10	11 Chicken Hooray!	12	13 TIDA Board Mtg.		15	16
17		19 RAB Mtg.	20 Community Mtg.	21	22	23
24	25 Chicken Hooray!	26	27	28	29	

SCHEDULE OF EVENTS

- Feb. 2—Happy Groundhog Day
- Feb. 13—TIDA Board Mtg.
- Feb. 18—Presidents Day
- Feb. 19—RAB Meeting, Casa de la Vista, 7:00 PM
- Feb. 20—Community Meeting, Ship Shape Bldg. 6:30PM

Numbers to Remember

Treasure Island Development Authority
(415) 274-0660
Fax (415) 274-0299

Treasure Island Homeless Development Initiative
(415) 274-0311

Island Bay Homes / Treasure Island Supportive Housing / Haight Ashbury Free Clinics
(415) 391-2404

Community Housing Partnership
(415) 743-0017

The Villages at Treasure Island
(415) 834-0211
Fax (415) 834-0210
Emergency After Hours (415) 445-2184

Fire Department
Emergency 911
Non-Emergency (415) 558-3248

Police Department
Emergency 911
Cell phone (Emergency) (415)553-8090
Non-Emergency (415) 553-0123

Good Neighbors
(415) 520-6653

Airport Service (Super Shuttle)
(800) 258-3826

Boys & Girls Club of America—San Francisco
(415) 362-1383

Kidango
(415) 834-0602

Crossroads Café
(415) 362-5851

MUNI
(415) 673-6864

Taxi Services:
DeSoto—(415) 970-1300
Luxor—(415) 282-4141
National—(415) 648-4444
Yellow Cab—(415) 626-2345

Free Tax Site 2008 on Treasure Island

Written By: Shannon Wise



"NEW Treasure Island Tax Site 2008!"
Located in our new Business Assistance Center located in the Ship Shape building
Open to all island residents

I am please to announce that TIHDI will provide a new free tax preparation site beginning January 2008 here on the island. This is in conjunction with the 'Earn-it-Keep-it-Save-it' campaign that many of you may be familiar with.
http://www.uwba.org/eks/

Tax preparation is FREE to tax filers, however ***there are income guidelines***. To qualify for free tax help, 2007 income needs to be ***42,000 or less*** (if may be a little higher for married couples filing joint) & US citizenship **is not** required.

Dates & Times:
The site will open Monday January 28th.
Regular hours will be every Monday 5pm-8pm & every Saturday from 11am-2pm.

We also plan to be open every night for the first 3 weeks of tax season (1/28/08-2/15/08)
***As we progress further into the tax season we will begin to schedule appointments on an as-needed basis.

Volunteers: We need volunteers.
Currently, Bart Rugo, a Treasure Island resident and IRS retiree, and myself will be doing tax preparation. Since this is our first year, we are unsure about client volume. However, if you are interested in becoming a certified tax preparer let me know asap so that your training can begin. There are class dates coming up in January and usually consist of 3 Saturday classes **or** an online course instead.

Outreach: Our goal is to begin outreach now, so that our resident s knows about this service early before rushing to those paid preparers that charge money.

Banking Partner: Citibank has agreed to become our banking partner and they will provide information regarding bank accounts, which is in conjunction with the 'Bank on San Francisco' program.
http://www.sfgov.org/site/bankonsf

This service is ideal for low or fixed income families/individuals, part-time employees, Treasure Island employees, students, roommates etc.

IT'S CONVENIENT AND FREE.

Drop-in Available— Monday-Friday, January 28—February 15; 5:00 PM—8:00 PM
Saturday, February 2 and 9; 11:00 AM—2:00 PM

Appointments Available— January 28—April 15, call 415-274-0311

Disabled Access Available

Holiday Travel: Stay Safe



Are you planning to hit the road this holiday season?

If so, take caution. According to the National Highway Traffic Safety Administration, 598 people died in traffic crashes during Thanksgiving weekend in 1998. On the days surrounding Christmas that year, 364 died; 545 died on or around New Year's Day. About 50 percent of those deaths were related to alcohol.

Here are some tips to keep you -- and your home -- safe while you're on the road:

- If you're going to be away from home, ask a neighbor to watch your home, shovel snow, and park in the driveway from time to time.
- Don't forget to have mail and newspaper delivery stopped. If it piles up, it's a sure sign you're gone. When you leave the house, turn off all tree lights and blow out all candles.
- Buckle your seatbelt every time you drive or ride in a car. Whether you're traveling by car or plane, make sure your child is buckled in a safety seat, booster seat, or seatbelt.
- Avoid driving in snowy or icy weather. If that's not possible, drive slowly. It takes longer to stop on wet or icy roads.
- Remember that homes you visit may not be child-proofed. Ask to move breakable or dangerous items out of children's reach. If the host's home has stairs, bring a safety gate.
- When staying overnight, bring outlet covers and check that cabinets are free of toxic items or have safety latches.
- When visiting friends or relatives who have a dog, let the dog sniff you before you try to pet it. Do not leave your child alone with the dog.
- Never drive after you drink or use drugs.

information is retrieved from www.ktvu.com

Cross Roads Café Closed



On November 27, 2007, it was announced at the TIDA Board of Directors meeting that Cross Roads Café will be closed on November 30, 2007. The Café will be undergoing some renovations and will be under new management which will be run by Job Corps. We should expect the new café to open to the public around mid-to-late January. A major change that you will see is that the café will offer breakfast, lunch, and dinner. The hours will be longer and there will be a broader menu offered. Additionally, the Café will be renovated. Let's all welcome the new Cross Roads Café when it opens by enjoying a cup of coffee or getting a bite to eat.

Good Neighbor's Meeting

The 3rd quarterly general membership meeting of Good Neighbors is set to occur on **Saturday, December 8th, 11am - 1 pm** in the **Shipshape building**. This is mostly a "report back" meeting where the general membership is informed about the accomplishments of the previous quarter, our challenges, and the next steps for our group. You will also have a chance to meet like minded people on the Islands. Childcare and lunch is provided.
Please RSVP via this link :
http://fd2.formdesk.com/connors/RSVP

You may also call 415-520-6653 by noon on Friday, Dec. 7th

Treasure Island YMCA

Located on 402 Avenue M
San Francisco, CA 94130
(415) 765-9037

Come visit the Treasure Island YMCA. We are a **FREE** facility. All you need to do is bring your state or national ID and sign up for a membership.

Our office ours are:
Monday – Friday 1:00 PM – 9:00 PM
Saturday 12:00 PM – 5:00 PM

We are currently offering:
Shotokan Karate
3 Walking Challenges
Pilates
Friday Family Night
And More programs to come!

We have a:
Cardio Room
Weight Room
2 Racquetball Courts
Kids Room
3 Basketball Courts
Air Hockey, Ping Pong, and Foosball

If you have any questions, please feel free to contact us at 415-765-9037 or ksedgwick@ymcasf.org

SAN FRANCISCO, CALIFORNIA

TREASURE ISLAND

Community Resources

Calendar • Food • Google Map • History • Community Safety
TI Related Organizations • TI/YBI Law Enforcement • Transportation

www.TreasureIslandOnline.net

Get involved with your community!

The community meeting occurs the **third Wednesday of each month** at the Ship Shape building (beside the Gym) starting 7:00 p.m.



Please send your comments or questions to:
Mark@treasureislandonline.net

Treasure Island Development Authority
Treasure Island Homeless Development Initiative
Treasure Island Villages
410 Palm Avenue
Building 1
San Francisco, CA 94130

STAMP

AGENDA ITEM 8(b)
Treasure Island Development Authority
City and County of San Francisco
Meeting of December 12, 2007

Subject: Resolution Authorizing the Sixteenth Amendment to the Treasure Island Events Venue Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements (Action Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

The Director of Island Operations requests authorization from the Treasure Island Development Authority ("Authority") Board of Directors to extend the term of the Events Venue Master Lease with the United States Navy on Treasure Island through November 30, 2008, and to accept the Navy proposal to change general liability insurance required of contractors and sublessees to an amount acceptable to the Risk Manager for the City and County of San Francisco.

On September 4, 1998, the Authority entered into a lease agreement with the United States Navy (Lease Number (N6247498RP00Q03) (the "Master Lease"). The Lease Premises include certain land and buildings, including Building 271 (Casa de la Vista), Building 187 (the Chapel), and the Great Lawn on the Western border of Treasure Island facing San Francisco, among others. A wide variety of events ranging from weddings and receptions through community picnics and corporate parties are held in the venues available to the Authority through this Master Lease.

The term of the Master Lease expired December 1, 2007. The Navy has offered an extension of the lease term through November 30, 2008.

Section 17 of the Master Lease describes the coverage the Navy requires for use of the premises described in the Lease. According to Section 17.4, the Navy requires the Authority to require sublessees to maintain comprehensive general liability insurance of not less than $3 million per occurrence with respect to personal injury or death, and $5 million per occurrence with respect to property damage. Project Staff has informed the Navy that the required coverage exceeds the amount typically required by the City's Risk Manager and that the cost of such excess coverage is a burden to the individuals, small subtenants and contractors that do business with the Authority.

Project Staff proposed that the Navy delegate to the Risk Manager for the City of San Francisco the authority to establish suitable insurance coverage for properties that the Authority leases from the Navy and in turn subleases to third parties. The Navy has accepted the proposal of Project Staff and proposes to amend the Master Lease to authorize the Risk Manager for the City to determine suitable levels for comprehensive

general liability insurance, subject to the limitation that the minimum insurance requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority. The lease amendment will extend the term of the Master Lease. The proposed change in the insurance requirements for sublessees and contractors will have no effect on the project budget.

RECOMMENDATION

Project Staff recommends that the Authority agree to extend the term of the Events Venue Master Lease Agreement N6247498RP00Q03 commencing on December 1, 2007 and expiring on November 30, 2008; and to approve the Navy proposal to authorize the City's Risk Manager to establish suitable insurance coverage for properties owned by the Navy and subleased by the Authority.

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director Island Operations

FILE NO. _____ RESOLUTION NO.

[Amendment to Events Venue Master Lease]

RESOLUTION AUTHORIZING THE SIXTEENTH AMENDMENT TO THE TREASURE ISLAND EVENTS VENUE MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO RETROACTIVELY EXTEND THE TERM AND TO CHANGE THE NAVY INSURANCE REQUIREMENTS.

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated September 4, 1998, for the Authority to use and sublease certain land and structures in the Events Venue area of Treasure Island (the "Events Venue Master Lease") at no rent; and,

WHEREAS, The Events Venue Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the Events Venue Master Lease expired on December 1, 2007; and,

WHEREAS, The Authority wishes to retroactively extend the term of such lease for a term beginning on December 1, 2007 and ending on November 30, 2008, unless sooner terminated in accordance with the terms and conditions of the Master Lease; and,

WHEREAS, The Navy concurs with such extension; and

WHEREAS, The Navy has proposed to amend the Master Lease to authorize the Risk Manager for the City and County of San Francisco to determine suitable levels for comprehensive general liability insurance, subject to the limitation that the minimum insurance requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage; and,

WHEREAS, The Authority concurs with such amendment; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to retroactively enter into an amendment to the Events Venue Master Lease in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 12, 2007.

_____

Owen Stephens,

Secretary

AVERY™ RECYCLED PAPER MADE FROM 100% POST-CONSUMER CONTENT

SIXTEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00Q03
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00Q03 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00Q03 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2007 and ending on 30 November 2008, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination"

2. Paragraph 17 **INSURANCE**, delete 17.4 in its entirety and the following paragraph is inserted therefore:

"17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance in an amount to be determined by Lessee and the City of San Francisco Risk Manager based on generally applicable insurance industry standards for the permitted uses; provided, however, that in no case shall the amount of coverage be less than $1 million per occurrence with respect to personal injury or death, and $1 million per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 8 (c)
Treasure Island Development Authority
City and County of San Francisco
Meeting of December 12, 2007

Subject: Resolution Authorizing the Twenty Fourth Amendment to the Treasure Island Land and Structures Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

The Director of Island Operations requests authorization from the Treasure Island Development Authority ("Authority") Board of Directors to extend term of the Land and Structures Master Lease with the United States Navy on Treasure Island through November 30, 2008, and to accept the Navy proposal to change general liability insurance required of contractors and sublessees to an amount acceptable to the Risk Manager for the City and County of San Francisco.

On November 19, 1998, the Authority entered into a lease agreement with the United States Navy (Lease Number (N6247499RP42P12) (the "Master Lease"). The Lease Premises include certain facilities, including land leased to San Francisco Little League, a lot subleased to Goodwill Industries, Building 201 which is subleased for storage, as well as areas that are subleased to Rubicon Enterprises to support landscape operations on Treasure Island and Yerba Buena Island.

The term of the Master Lease expired December 1, 2007. The Navy has offered an extension of the Master Lease term through November 30, 2008.

Section 17 of the Master Lease describes the coverage the Navy requires for use of the premises described in the Lease. According to Section 17.4, the Navy requires the Authority to require sublessees to maintain comprehensive general liability insurance of not less than $3 million per occurrence with respect to personal injury or death, and $5 million per occurrence with respect to property damage. Project Staff has informed the Navy that the required coverage exceeds the amount typically required by the City's Risk Manager and that the cost of such excess coverage is a burden to the individuals, small subtenants and contractors that do business with the Authority.

Project Staff proposed that the Navy delegate to the Risk Manager for the City of San Francisco the authority to establish suitable insurance coverage for properties that the Authority leases from the Navy and in turn subleases to third parties. The Navy has accepted the proposal of Project Staff and proposes to amend the Master Lease to authorize the Risk Manager for the City to determine suitable levels for comprehensive general liability insurance, subject to the limitation that the minimum insurance

requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority. The lease amendment will extend the term of the Master Lease. The proposed change in the insurance requirements for sublessees and contractors will have no effect on the project budget.

RECOMMENDATION

Project Staff recommends that the Authority agree to extend the term of the Land and Structures Master Lease Agreement N6247499RP42P12 commencing on December 1, 2007 and expiring on November 30, 2008; and to approve the Navy proposal to authorize the City's Risk Manager to establish suitable insurance coverage for properties owned by the Navy and subleased by the Authority.

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director Island Operations

[Amendment to Land and Structures Master Lease]

RESOLUTION AUTHORIZING THE TWENTY FOURTH AMENDMENT TO THE TREASURE ISLAND LAND AND STRUCTURES MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO RETROACTIVELY EXTEND THE TERM AND TO CHANGE THE NAVY INSURANCE REQUIREMENTS

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated November 19, 1998, for the Authority to use and rent out certain land and structures in certain areas of Treasure Island (the "Land and Structures Master Lease") at no rent; and,

WHEREAS, The Land and Structures Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the Land and Structures Master Lease expired on December 1, 2007; and,

WHEREAS, The Authority wishes to retroactively extend the term of such lease for a period of one (1) year beginning on December 1, 2007 and ending on November 30, 2008, unless sooner terminated in accordance with the terms and conditions of the Master Lease; and,

WHEREAS, The Navy concurs with such extension; and,

WHEREAS, The Navy has proposed to amend the Master Lease to authorize the Risk Manager for the City and County of San Francisco to determine suitable levels for comprehensive general liability insurance, subject to the limitation that the minimum insurance requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage; and,

WHEREAS, The Authority concurs with such amendment; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to retroactively enter into an amendment to the Land and Structures Master Lease in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 12, 2007.

_____

Owen Stephens,

Secretary

AVERY™ RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

TWENTY FOURTH AMENDMENT
TO LEASE AGREEMENT N6247499RP42P12
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 19 November 1999, entered into Lease Agreement N6247499RP42P12 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247499RP42P12 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2007 and ending on 30 November 2008, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination"

2. Paragraph 17 **INSURANCE**, delete 17.4 in its entirety and the following paragraph is inserted therefore:

"17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance in an amount to be determined by Lessee and the City of San Francisco Risk Manager based on generally applicable insurance industry standards for the permitted uses; provided, however, that in no case shall the amount of coverage be less than $1 million per occurrence with respect to personal injury or death, and $1 million per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 8 (d)
Treasure Island Development Authority
City and County of San Francisco
Meeting of December 12, 2007

Subject: Resolution Authorizing the Modification of the Museum Storage Master License To Extend the Term to November 30, 2008 (Consent Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

The Director of Island Operations requests authorization from the Treasure Island Development Authority Board of Directors (Authority) to extend the term of the Museum Storage License with the United States Navy at Treasure Island through November 30, 2008.

On July 15, 2003, the Authority entered into a License for Nonfederal Use of Real Property with the United States Navy for a portion of Building 449 (License Number N6247498RP00P48) (the "Master License") for the storage of museum artifacts, display cases and associated collection materials. The Authority has in turn, sublicenses the premises to the San Francisco Museum & Historical Society for the storage of its materials.

The term of the Master License will expire on January 15, 2008. The Navy has offered to extend the term of this license to November 30, 2008, under the same terms and conditions.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority. The Master License amendment will extend the term of the Master License.

RECOMMENDATION

Approve staff recommendation to extend the term of the Museum Storage License, License Number N6247498RP00P48, through November 30, 2008.

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director Island Operations

[Amendment to Museum Storage Master License]

RESOLUTION AUTHORIZING THE MODIFICATION OF THE MUSEUM STORAGE MASTER LICENSE TO EXTEND THE TERM TO NOVEMBER 30, 2008

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master license dated July 15, 2003, for the Authority to license and to sublicense a portion of Building 449 on Treasure Island for the storage of museum artifacts, display cases and associated collection materials (the "Treasure Island Museum Storage Master License") at no cost; and,

WHEREAS, The Treasure Island Museum Storage Master License ("Master License") enables the Authority to sublicense the master licensed area for the storage of museum artifacts, display cases and associated collection materials; and,

WHEREAS, The Term of the Master License will expire on January 15, 2008; and,

WHEREAS, The Authority wishes to extend the term of such Master License from January 16, 2008 to November 30, 2008, under the same terms and conditions as currently exist; and,

WHEREAS, The Navy concurs with such extension; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into an amendment to the Treasure Island Museum Storage Master License in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 12, 2007.

_____

Owen Stephens,

Secretary

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AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT	1. CONTRACT ID CODE N6247498RP00P48	PAGE OF PAGES 1 / 1

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5 PROJECT NO. (If applicable)
FOUR (4)	16 January 2008		

6. ISSUED BY	CODE	7. ADMINISTERED BY (If other than Item 6)	CODE
BRAC Program Management Office West 1455 Frazee Road, Suite 900 San Diego, CA 92108-4310			

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county State and ZIP Code)	9A. AMENDMENT OF SOLICITATION NO.
Treasure Island Development Authority 410 Palm Avenue, Building 1 - Second Floor San Francisco, CA 94132	9B. DATED (SEE ITEM 11)
	10A. MODIFICATION OF CONTRACT/ORDER NO. N6247498RP00P48
CODE / FACILITY CODE	10B. DATED (SEE ITEM 13)

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended. ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference of the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIED THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDERED IS MODIFIED TO REFLECTTHE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
✓	D. OTHER (Specify type of modification and authority) Mutual Agreement of the parties

E. IMPORTANT: Contractor ☐ is not, ☑ is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible)

Article 2, TERM: The term of this license shall be extended through 30 November 2008.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) WILLIAM R. CARSILLO - RE Contracting Officer	
15B. CONTRACTOR/OFFEROR BY _____ (Signature of Person Authorized to Sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)	16C. DATE SIGNED

STANDARD FORM 30 (REV. 10-83)

AGENDA ITEM 8(e)
Treasure Island Development Authority
City and County of San Francisco
Meeting of December 12, 2007

Subject: Resolution Authorizing the Eleventh Amendment to the Treasure Island Marina Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements. (Action Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

The Director of Island Operations requests authorization from the Treasure Island Development Authority ("Authority") Board of Directors to extend term of the Treasure Island Marina Master Lease with the United States Navy on Treasure Island through November 30, 2008, and to accept the Navy proposal to change general liability insurance required of contractors and sublessees to an amount acceptable to the Risk Manager for the City and County of San Francisco.

On September 4, 1998, the Authority entered into a lease agreement with the United States Navy (Lease Number N6247498RP00Q01) (the "Master Lease"). The lease premises include certain land and buildings, including the Treasure Island Marina, the marina boat slips and the Treasure Island Yacht Club.

The term of the Master Lease expired December 1, 2007. The Navy has offered an extension of the Master Lease term through November 30, 2008.

Section 17 of the Master Lease describes the coverage the Navy requires for use of the premises described in the Lease. According to Section 17.4, the Navy requires the Authority to require sublessees to maintain comprehensive general liability insurance of not less than $3 million per occurrence with respect to personal injury or death, and $5 million per occurrence with respect to property damage. Project Staff has informed the Navy that the required coverage exceeds the amount typically required by the City's Risk Manager.

Project Staff proposed that the Navy delegate to the Risk Manager for the City of San Francisco the authority to establish suitable insurance coverage for properties that the Authority leases from the Navy and in turn subleases to third parties. The Navy has accepted the proposal of Project Staff and proposes to amend the Master Lease to authorize the Risk Manager for the City to determine suitable levels for comprehensive general liability insurance, subject to the limitation that the minimum insurance requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority. The lease amendment will extend the term of the Master Lease. The proposed change in the insurance requirements for sublessees and contractors will have no effect on the project budget.

RECOMMENDATION

Project Staff recommends that the Authority agree to extend the term of the Treasure Island Master Lease Agreement N6247498RP00Q01 commencing December 1, 2007 and expiring on November 30, 2008; and to approve the Navy proposal to authorize the City's Risk Manager to establish suitable insurance coverage for properties owned by the Navy and subleased by the Authority.

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director Island Operations

[Amendment to Treasure Island Marina Master Lease]

RESOLUTION AUTHORIZING THE ELEVENTH AMENDMENT TO THE TREASURE ISLAND MARINA MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO RETROACTIVELY EXTEND THE TERM AND TO CHANGE THE NAVY INSURANCE REQUIREMENTS.

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated September 4, 1998, for the Authority to use and rent out certain land and structures in the marina area of Treasure Island (the "Treasure Island Marina Master Lease") at no rent; and,

WHEREAS, The Treasure Island Marina Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the Treasure Island Marina Master Lease expired on December 1, 2007; and,

WHEREAS, The Authority wishes to retroactively extend the term of such lease from December 1, 2007 and ending on November 30, 2008, unless sooner terminated in accordance with the terms and conditions of the Master Lease; and

WHEREAS, The Navy concurs with such extension; and

WHEREAS, The Navy has proposed to amend the Master Lease to authorize the Risk Manager for the City and County of San Francisco to determine suitable levels for comprehensive general liability insurance, subject to the limitation that the minimum insurance

requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage; and,

WHEREAS, The Authority concurs with such amendment; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to retroactively enter into an amendment to the Treasure Island Marina Master Lease in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 12, 2007.

_____

Owen Stephens,

Secretary

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ELEVENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00Q01
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00Q01 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00Q01 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2007 and ending on 30 November 2008, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination"

2. Paragraph 17 **INSURANCE**, delete 17.4 in its entirety and the following paragraph is inserted therefore:

"17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance in an amount to be determined by Lessee and the City of San Francisco Risk Manager based on generally applicable insurance industry standards for the permitted uses; provided, however, that in no case shall the amount of coverage be less than $1 million per occurrence with respect to personal injury or death, and $1 million per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 8(f)
Treasure Island Development Authority
City and County of San Francisco
Meeting of December 12, 2007

Subject: Resolution Authorizing the Twenty First Amendment to the Treasure Island South Waterfront Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements (Action Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

The Director of Island Operations requests authorization from the Treasure Island Development Authority ("Authority") Board of Directors to extend term of the South Waterfront Master Lease with the United States Navy on Treasure Island through November 30, 2008, and to accept the Navy proposal to change general liability insurance required of contractors and sublessees to an amount acceptable to the Risk Manager for the City and County of San Francisco.

On September 4, 1998, the Authority entered into a lease agreement with the United States Navy (Lease Number N6247498RP00P99) (the "Master Lease"). The lease premises include certain land and buildings, including the Administration Building, Building 180, which is currently subleased to California Logistics and Beyond Productions, Hangar 2, which is currently subleased to the sets production firm, Island Creative, and Hangar 3, which is currently subleased to the Film Commission for the City and County of San Francisco for film production.

The term of the Master Lease expired December 1, 2007. The Navy has offered an extension of the lease term through November 30, 2008.

Section 17 of the Master Lease describes the coverage the Navy requires for use of the premises described in the Lease. According to Section 17.4, the Navy requires the Authority to require sublessees to maintain comprehensive general liability insurance of not less than $3 million per occurrence with respect to personal injury or death, and $5 million per occurrence with respect to property damage. Project Staff has informed the Navy that the required coverage exceeds the amount typically required by the City's Risk Manager and that the cost of such excess coverage is a burden to the individuals, small subtenants and contractors that do business with the Authority.

Project Staff proposed that the Navy delegate to the Risk Manager for the City of San Francisco the authority to establish suitable insurance coverage for properties that the Authority leases from the Navy and in turn subleases to third parties. The Navy has accepted the proposal of Project Staff and proposes to amend the Master Lease to authorize the Risk Manager for the City to determine suitable levels for comprehensive

general liability insurance, subject to the limitation that the minimum insurance requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority. The lease amendment will extend the term of the Master Lease. The proposed change in the insurance requirements for sublessees and contractors will have no effect on the project budget.

RECOMMENDATION

Project Staff recommends that the Authority agree to extend the term of the South Waterfront Master Lease Agreement N6247498RP00P99 commencing December 1, 2007 and expiring on November 30, 2008; and to approve the Navy proposal to authorize the City's Risk Manager to establish suitable insurance coverage for properties owned by the Navy and subleased by the Authority.

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director Island Operations

[Amendment to South Waterfront Master Lease]

RESOLUTION AUTHORIZING THE TWENTY FIRST AMENDMENT TO THE TREASURE ISLAND SOUTH WATERFRONT MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO RETROACTIVELY EXTEND THE TERM AND TO CHANGE THE NAVY INSURANCE REQUIREMENTS

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated September 4, 1998, for the Authority to use and rent out certain land and buildings in certain areas of Treasure Island (the "South Waterfront Master Lease") at no rent; and,

WHEREAS, The South Waterfront Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the South Waterfront Master Lease expired on December 1, 2007; and,

WHEREAS, The Authority wishes to retroactively extend the term of such lease for a period of one (1) year beginning on December 1, 2007 and ending on November 30, 2008, unless sooner terminated in accordance with the terms and conditions of the Master Lease; and,

WHEREAS, The Navy concurs with such extension; and,

WHEREAS, The Navy has proposed to amend the Master Lease to authorize the Risk Manager for the City and County of San Francisco to determine suitable levels for comprehensive general liability insurance, subject to the limitation that the minimum insurance requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage; and,

WHEREAS, The Authority concurs with such amendment; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to retroactively enter into an amendment to the South Waterfront Master Lease in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 12, 2007.

_____

Owen Stephens,

Secretary

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TWENTY FIRST AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2007 and ending on 30 November 2008, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination"

2. Paragraph 17 **INSURANCE**, delete 17.4 in its entirety and the following paragraph is inserted therefore:

"17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance in an amount to be determined by Lessee and the City of San Francisco Risk Manager based on generally applicable insurance industry standards for the permitted uses; provided, however, that in no case shall the amount of coverage be less than $1 million per occurrence with respect to personal injury or death, and $1 million per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 8(g)
Treasure Island Development Authority
City and County of San Francisco
December 12, 2007

Subject: Resolution Approving and Authorizing the Director of Island Operations to Retroactively Execute a Use Permit, including Waiver of Permit Fees, with Chicken Hooray, LLC. for the Use of the Parking Lot at Avenue of the Palms and California Avenue for the Purpose of selling Rotisserie Chicken to Treasure Island Residents

Staff Contact/Phone: Mirian Saez,
Director of Island Operations
415-274-0660

BACKGROUND

Chicken Hooray, LLC, is a licensed and insured food vendor truck which sells fresh, high-quality rotisserie chicken, potatoes, salad and bread. Chicken Hooray began service on Treasure Island in November 2006, arriving weekly on Thursday evenings, from 3:00PM to 9:00PM, to appeal to Treasure Island residents during the dinner hours. Chicken Hooray has recently changed the night of service to Monday nights during the same timeframe.

On November 27, 2006, the Director of Island Operations executed a revocable, non-exclusive Use Permit (the "Original Use Permit") with Chicken Hooray, LLC, for a six month term that expired May 31, 2007, in accordance with the authority delegated to the Director of Island Operations under Section 10 of the Treasure Island Development Authority Rules and Procedures for Transfer and Use of Real Property. Under the terms of the Original Use Permit, a permit fee equal to Twenty Five Dollars ($25) per use was imposed on Chicken Hooray, LLC.

A new Use Permit was issued on June 4, 2007, with a term that expired on November 30, 2007. Resolution #07-46-06/13 was passed by the Authority Board on June 13, 2007, authorizing and approving the Director of Island Operations to execute a new Use Permit with Chicken Hooray, LLC, including a waiver of permit fees. The waiver of the permit fees was approved so as to support Chicken Hooray's role as a valuable on-Island service which benefits the residents and community.

Over the past year of service on Treasure Island, the operator of Chicken Hooray, LLC, Ms. Haechler, has received positive response from Island residents and tenants. Ms. Haechler has developed a relationship with some on-Island partners, such as the Treasure Island Sailing Center, the Treasure Island Homeless Development Initiative, and the SF Golden Gate Rugby Club, for which she has catered events. Chicken Hooray is working

with a consistent client base and is optimistic that sales will continue to rise. Ms. Haechler is eager to become more involved in serving the Treasure Island community.

Project Staff has requested that Chicken Hooray provide service to the Island on a more frequent basis due to the temporary closure of the Cafe while it changes management.

The operator of Chicken Hooray, LLC, has requested a new Use Permit, on the same terms and conditions as the current Use Permit which includes a waiver of standard permit fees, so as to continue providing food service to the Island community for the next year.

STANDING UNDER EXISTING USE PERMIT

Chicken Hooray, LLC is compliant with its insurance requirements and has met all other obligations under the existing Use Permit.

RECOMMENDATION

Project Staff recommends approval from the Authority to authorize the Director of Island Operations to retroactively execute a Use Permit, including waiver of permit fees, with Chicken Hooray, LLC, for the use of the parking lot at Avenue of the Palms and California Avenue. Project Staff also recommends approval from the Authority to add or reschedule dates which Chicken Hooray may provide service at the discretion of the Director of Island Operations. This approval will grant access to Treasure Island for Chicken Hooray, LLC, from December 3, 2007 through November 24, 2008 to provide a healthy, fresh food service option which benefits the public, employees, tenants, and residents of Treasure Island.

EXHIBITS:

Exhibit A: Use Permit between the Authority and Chicken Hooray, LLC. for use of the parking lot at Avenue of the Palms and California Avenue on Monday evenings from December 3, 2007 through November 24, 2008.

Prepared by: Lori Mazzola, Event Coordinator
For Mirian Saez, Director of Island Operations

[Use Permit with Chicken Hooray, LLC. for use of the parking lot located at Avenue of the Palms and California Avenue]

Resolution approving and authorizing the Director of Island Operations to retroactively execute a Use Permit, including waiver of permit fees, with Chicken Hooray, LLC, for the use of the parking lot at Avenue of the Palms and California Avenue for the purpose of selling rotisserie chicken to Treasure Island residents.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On June 13, 2007, the Authority Board passed Resolution #07-46-06/13 which authorized and approved the Director of Island Operations to execute a revocable, non-

exclusive Use Permit with Chicken Hooray, LLC, including a waiver of permit fees for the use of the parking lot located at Avenue of the Palms and California Avenue on Monday evenings, from June 1, 2007 through November 30, 2007, to operate a food sales truck to sell fresh rotisserie chicken; and,

WHEREAS, The residents of Treasure Island and Yerba Buena Island have limited amenities and food outlets on the Islands; and,

WHEREAS, Chicken Hooray, LLC, has provided food service on Treasure Island for over one year and has developed a client base on the Island, has been welcomed by the residents with positive response, and has worked with Island partners for community related events; and,

WHEREAS, Project Staff has requested that Chicken Hooray provide service to the Island on a more frequent basis due to the temporary closure of the Cafe while it changes management; and,

WHEREAS, Chicken Hooray, LLC has requested an extension of the term through November 24, 2008, and a waiver of the standard rental fees associated with the use of space, so as to support Chicken Hooray's role as a valuable on-island service which benefits the residents and community; now therefore be it

RESOLVED, That the Authority Board hereby authorizes the Director of Island Operations to retroactively execute a Use Permit, including waiver of permit fees, with Chicken Hooray, LLC, as well as to add or reschedule dates which Chicken Hooray may provide service based on the needs of the community, from December 3, 2007 through November 24, 2008, in substantially the form of Use Permit attached to this resolution as Exhibit A; and be it

FURTHER RESOLVED, That the Authority Board hereby finds that (i) entering into the Use Permit will serve the goals of the Authority and the public interests of the City and (ii) the terms of the Use Permit, including the waiver of permit fees, are commercially reasonable in light of the benefits that Chicken Hooray, LLC, provides to the Authority and the Treasure Island community.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at the Properly noticed meeting on December 12, 2007.

_____

Owen Stephens, Secretary

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USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference only as of November 28, 2008, is made by and between the Treasure Island Development Authority ("Authority") and Chicken Hooray, LLC., a California Limited Liability Company ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for Event Venues Naval Station Treasure Island (the "Master Lease"), by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use that certain property located on Naval Station Treasure Island (the "Property"), as more particularly described in the Master Lease; and

WHEREAS, Permittee seeks to use a portion of the Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. Basic Permit Information

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
Permittee:	CHICKEN HOORAY, LLC., a California Limited Liability Company
Premises (Section 2):	That certain portion of the Property commonly known as the parking lot on the corner of Avenue of the Palms and California Avenue, all as more particularly shown on Exhibit B, attached hereto.
Structural Report (Section 5):	None.
Permitted Use (Section 6):	To operate a chicken rotisserie vendor truck on the Premises for food sales and for no other purpose whatsoever.
Parking Rights (Section 7):	Up to two (2) vehicles may be parked in the area designated for parking on Exhibit B, attached hereto.
Permit Fees (Section 11):	Not Applicable.

Term (Section 12):	Commencement Date and Time: December 3, 2007 at 3:00PM. Expiration Date and Time: November 24, 2008 at 9:00PM. The term of this Permit shall commence on Mondays, from 3:00PM to 9:00PM, from December 3, 2007 to November 24, 2007, as well as any date and time approved by the Director of Island Operations.
Utilities (Section 19):	Not applicable.
Insurance Limits (Section 21):	Worker's Compensation Insurance - statutory amounts Employers' Liability Coverage with limits of not less than $1,000,000 for each accident or occurrence Comprehensive or Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage Comprehensive or Business Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage
Address for Notices (Section 26):	
Authority:	Treasure Island Development Authority 410 Avenue of the Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn.: Director of Island Operations Phone No.: (415) 274-0660 Fax No.: (415) 274-0299
Permittee:	Chicken Hooray, LLC. 5643 Paradise Drive, Suite 11 Corte Madera, CA 94925 Attn.: Kelly Haechler Phone No.: 415-706-7157 Fax No.: 415-924-0746
Security Deposit (Section 33):	Not Applicable.

2. **License of Premises**. Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic

Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. **Inspection of Premises**. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. **As Is; Disclaimer of Representations**. Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. **Seismic Report and Structural Report.** Without limiting Section 4 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled *"Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,"* prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters,

describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. **Use of Premises.** Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Licensees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material**. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) **Nuisances**. Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) **Damage**. Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority property.

7. **Parking**. Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on Exhibit B attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises.

8. **Resource Conservation and Sustainability**. Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 32 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and all applicable provisions of the San Francisco Environment Code.

9. **Subject to Authority and City Uses.** Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

10. **Alterations.** Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

11. **Permit Fee**. Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

12. **Term of Permit; Revocability**. The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the

Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time, without cause and without any obligation to pay any consideration to Permittee.

13. **Compliance with Laws**. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g. General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

14. **Security**. In addition to the Permit Fee described in Section 11 above, Permittee shall provide the security, police and medical support services described on Exhibit E, attached hereto, at its sole cost and expense.

15. **Rules and Regulations**. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit F. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

16. **Surrender**. Upon the expiration of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

17. **Repair of Damage**. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located

thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs or behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

18. Public Safety. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

19. Utilities. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

20. Release and Waiver of Claims; Indemnification

20.1. Release and Waiver of Claims. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 20.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Authority from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 20.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

20.2. **Acknowledgment**. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

20.3. **Permittee's Indemnity**. Permittee, on behalf of itself and Permittee's Agents, shall indemnify, protect, defend and hold harmless forever ("Indemnify") the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 20.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the

expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 20.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

21. INSURANCE

21.1. Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Subtenant has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

21.2. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

21.3. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

21.4. Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

21.5. Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

21.6. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party

with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

21.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

21.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

21.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

21.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

22. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

23. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

24. Impossibility of Performance. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

25. Possessory Interest Taxes; Payment of Taxes. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

26. Notices. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

27. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

28. Non-Discrimination.

28.1 Covenant Not to Discriminate. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

28.2 Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 28.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

28.3 Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered

with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

28.4 **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

29. **Tropical Hardwoods and Virgin Redwood.** The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

30. **No Tobacco Advertising**. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

31. **Conflicts of Interest**. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

32. **Food Service Waste Reduction**. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was

made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

In addition, if 2,000 or more of Permittee's Agents and/or Permittee's Licensee's will be at the Premises, Permittee shall submit a recycling and waste reduction plan to the Authority's Events Coordinator and comply with State Assembly Bill 2176 (Montanez, Chapter 879, Statutes of 2004).

33. Security Deposit. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 33, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

34. General Provisions. **(a)** This Permit may be amended or modified only by a writing signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. **(l)** This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

PERMITTEE:

Chicken Hooray, LLC.,
a California Limited Liability Company

By: _____

Name: _____

Title: _____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

AGENDA ITEM 8(h)
Treasure Island Development Authority
City and County of San Francisco
Meeting of December 12, 2007

Subject: Resolution Authorizing the Third Amendment to the Treasure Island Childcare Center Master Lease between the Authority and the Navy to Retroactively Extend the Term and to Change the Navy Insurance Requirements (Consent Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

The Director of Island Operations requests authorization from the Treasure Island Development Authority ("Authority") Board of Directors to extend term of the Childcare Center Master Lease with the United States Navy on Treasure Island through November 30, 2008, and to accept the Navy proposal to change general liability insurance required of contractors and sublessees to an amount acceptable to the Risk Manager for the City and County of San Francisco.

On October 1, 2001, the Authority entered into a lease agreement with the United States Navy (Lease Number N6871102RP02P09) (the "Master Lease"). The lease premises include certain facilities, including land and structures that are subleased to Kidango for the purpose of operating a Childcare Center on Treasure Island.

The term of the Master Lease expired December 1, 2007. The Navy has offered an extension of the lease term through November 30, 2008.

Section 17 of the Master Lease describes the coverage the Navy requires for use of the premises described in the Lease. According to Section 17.4, the Navy requires the Authority to require sublessees to maintain comprehensive general liability insurance of not less than $3 million per occurrence with respect to personal injury or death, and $5 million per occurrence with respect to property damage. Project Staff has informed the Navy that the required coverage exceeds the amount typically required by the City's Risk Manager and that the cost of such excess coverage is a burden to the individuals, small subtenants and contractors that do business with the Authority.

Project Staff proposed that the Navy delegate to the Risk Manager for the City of San Francisco the authority to establish suitable insurance coverage for properties that the Authority leases from the Navy and in turn subleases to third parties. The Navy has accepted the proposal of Project Staff and proposes to amend the Master Lease to authorize the Risk Manager for the City to determine suitable levels for comprehensive general liability insurance, subject to the limitation that the minimum insurance requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority. The lease amendment will extend the term of the Master Lease. The proposed change in the insurance requirements for sublessees and contractors will have no effect on the project budget.

RECOMMENDATION

Project Staff recommends that the Authority agree to extend the term of the Childcare Center Master Lease Agreement N6871102RP02P09 commencing December 1, 2007 and expiring on November 30, 2008; and to approve the Navy proposal to authorize the City's Risk Manager to establish suitable insurance coverage for properties owned by the Navy and subleased by the Authority.

Prepared by Marc McDonald, Facilities Manager
for Mirian Saez, Director Island Operations

[Amendment to Childcare Center Master Lease]

RESOLUTION AUTHORIZING THE THIRD AMENDMENT TO THE TREASURE ISLAND CHILDCARE CENTER MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO RETROACTIVELY EXTEND THE TERM AND TO CHANGE THE NAVY INSURANCE REQUIREMENTS

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated October 1, 2001, for the Authority to use and rent out certain land and buildings in certain areas of Treasure Island (the "Childcare Center Master Lease") at no rent; and,

WHEREAS, The Childcare Center Master Lease enables the Authority to sublease the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the Childcare Center Master Lease expired on December 1, 2007; and,

WHEREAS, The Authority wishes to retroactively extend the term of such lease for a period of one (1) year beginning on December 1, 2007 and ending on November 30, 2008, unless sooner terminated in accordance with the terms and conditions of the Master Lease; and,

WHEREAS, The Navy concurs with such extension; and,

WHEREAS, The Navy has proposed to amend the Master Lease to authorize the Risk Manager for the City and County of San Francisco to determine suitable levels for comprehensive general liability insurance, subject to the limitation that the minimum insurance requirements for subtenants and contractors be set at $1 million for personal injury, death and property damage; and,

WHEREAS, The Authority concurs with such amendment; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to retroactively enter into an amendment to the Childcare Center Master Lease in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 12, 2007.

_____

Owen Stephens,

Secretary

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THIRD AMENDMENT
TO LEASE AGREEMENT N6871102RP02P09
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 1 October 2001, entered into Lease Agreement N6871102RP02P09 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6871102RP02P09 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be extended through 30 November 2008, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination"

2. Paragraph 17 **INSURANCE**, delete 17.4 in its entirety and the following paragraph is inserted therefore:

"17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance in an amount to be determined by Lessee and the City of San Francisco Risk Manager based on generally applicable insurance industry standards for the permitted uses; provided, however, that in no case shall the amount of coverage be less than $1 million per occurrence with respect to personal injury or death, and $1 million per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

Title_____

TREASURE ISLAND DEVELOPMENT AUTHORITY

Title_____

APPROVED AS TO FORM:

CITY ATTORNEY

AGENDA ITEM 9
Treasure Island Development Authority
City and County of San Francisco
December 12, 2007

Subject: Resolution Approving and Authorizing the Director of Island Operations to Retroactively Execute a Use Permit, including Rent Credits, with The O'Brien's Group, Inc., for the Use of Building 140, the Nimitz Conference Center, for the Purpose of Operating an Incident Command Post for the Cosco Busan Oil Spill Emergency (*Action Item*)

Contact: Mirian Saez, Director of Island Operations
Phone: 415-274-0660

BACKGROUND

On November 7, 2007, the container vessel COSCO BUSAN accidentally hit the D Span of the Bay Bridge. The vessel reported damage to the forward left side causing 58,000 gallons of heavy duty bunker fuel to spill into the San Francisco Bay.

A Unified Command was established that includes the US Coast Guard, the National Park Service, the California Fish and Game Office of Oil Spill Prevention and Response, the State Office of Emergency Services, the City and County of San Francisco Department of Emergency Management, and the O'Brien's Group, contractor for Cosco Busan.

The San Francisco Bay Area Oil Spill Incident Command Post (ICP) was originally located at the Fort Mason Firehouse. Due to scheduling conflicts, The O'Brien's Group approached the Project Staff and sought a location to permanently house the ICP for the duration of the emergency response and cleanup. Because of its size and location, Building 140 was identified as an appropriate site to house up to 350 response workers from the various agencies. The ICP commenced operations in Building 140 on November 10, 2007.

Building 140, the Nimitz Conference Center, is a former officer's club and is located on California Avenue at Avenue D. The facility has rarely been used in the last ten years and has been under consideration by Project Staff as a possible project for renovation for the purposes of special event rentals. The facility has had no major renovation or improvements except for roof patches and repairs made when it was leased by "Rent Productions" from January to June 2005.

Building 140 is approximately 24,169 square feet and has the potential to be used as an event rental facility. The Board approved Minimum Rental Rate of $.25 per square foot would equal a monthly rent of $6,042.25.

The O'Brien's Group has requested a Use Permit, attached as Exhibit A, for Building 140 commencing retroactively on November 10, 2007 and expiring on January 31, 2008. Rent at the Board approved Minimum Rental Rate for such term would be $16,314.11.

BUILDING IMPROVEMENTS AND RENTAL CREDITS

The Department of Public Works (DPW) and the Department of Telecom and Information Systems (DTIS) performed significant improvements to the facility to convert it into a useable condition for the ICP. Improvements made to the facility in conjunction with the commencement of the ICP include replacement and rebuilding of plumbing fixtures, installation of a gas line for stoves in the kitchen, roof repair, replacement of ballasts and light bulbs, interior electrical repairs, installation of exterior light fixtures, replacement of sheetrock, and phone and information systems wiring and installation. The total cost of these repairs and improvements equals $136,928.20. The O'Brien's Group will reimburse the City and County of San Francisco for these expenses.

The value of the improvements to Building 140 that will (i) remain with the facility once the term of the Use Permit has expired and (ii) make the facility more marketable, such as the roof repair, plumbing, electrical, carpentry enhancements, and phone and internet service wiring, total $41,459.68. Project Staff proposes to grant The O'Brien Group rent credits under the proposed Use Permit up to the maximum amount of $16,314.11. A summary of Rental Credits is attached as Exhibit B.

Project Staff seeks retroactive approval of the Use Permit, including the rent credits described above.

BUDGET IMPACT

Since The O'Brien's Group will reimburse the City and County of San Francisco directly for the expenses associated with the improvements to Building 140 and no rent was budgeted for Building 140, the Authority's budget will not be affected by the improvements or the rent credits.

COMMUNITY BENEFIT

The O'Brien's Group has contracted with Wine Valley Catering (WVC) to supply breakfast, lunch, and dinner at Building 140 for the duration of the term. Through its Joint Venture relationship with the Treasure Island Homeless Development Initiative (TIHDI), WVC has hired three TIHDI employees to serve meals daily and two Job Corps employees to prepare meals for certain occasions.

RECOMMENDATION

Project Staff recommends approving and authorizing the Director of Island Operations to retroactively execute a Use Permit, including rent credits, with The O'Brien's Group, Inc., for the use of Building 140, the Nimitz Conference Center, for the purpose of operating an Incident Command Post for the Cosco Busan Oil Spill Emergency.

EXHIBITS

Exhibit A: Use Permit between the Authority and The O'Brien's Group for Use of Building 140, the Nimitz Conference Center, from November 10, 2007 through January 31, 2008

Exhibit B: Rental Credit Summary

Prepared by: Lori Mazzola, Event Coordinator
For Mirian Saez, Director of Island Operations

[Use Permit with The O'Brien's Group, Inc. for use of Building 140, the Nimitz Conference Center]

Resolution approving and authorizing the Director of Island Operations to retroactively execute a Use Permit, including rent credits, with The O'Brien's Group, Inc., for the use of Building 140, the Nimitz Conference Center, for the purpose of operating an Incident Command Post for the Cosco Busan Oil Spill Emergency.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On November 7, 2007, the container vessel COSCO BUSAN accidentally hit the D span of the Bay Bridge and the vessel reported damage to the forward left side causing 58,000 gallons of heavy duty bunker fuel to spill into the San Francisco Bay; and,

WHEREAS, The U.S. Coast Guard is the lead agency for both the monitoring and the clean up of the spill and a Unified Command has been set up with the US Coast Guard, California Fish and Game Office of Oil Spill Prevention and Response, the Department of Emergency Management, the National Park Service, and the O'Brien's Group (contracted by the responsible party to perform the clean up); and,

WHEREAS, Building 140, the Nimitz Conference Center, is the former officer's club located on California Avenue at Avenue D; and,

WHEREAS, Building 140 has rarely been used in the last ten years and has been under consideration by Authority Staff as a possible project for renovation for the purposes of special event rentals, but the facility has had no major renovation or improvements except for roof patches and repairs made in 2005; and,

WHEREAS, The Unified Command identified Building 140 as an appropriate site to house up to 350 response workers from the various agencies for the San Francisco Bay Area Oil Spill Incident Command Post (ICP), and the ICP commenced operations in Building 140 on November 10, 2007; and,

WHEREAS, The O'Brien's Group, Inc. requested a Use Permit for Building 140 with a term commencing retroactively on November 10, 2007 and expiring on January 31, 2008; and,

WHEREAS, The Department of Public Works (DPW) and the Department of Telecom and Information Systems (DTIS) performed significant improvements to Building 140 to convert it into a useable condition for the ICP, including replacement and rebuilding of plumbing fixtures, installation of a gas line for stoves in the kitchen, roof patching, replacement of ballasts and light bulbs, interior electrical repairs, installation of exterior light

fixtures, replacement of sheetrock, and phone and information systems wiring and installation; and,

WHEREAS, The O'Brien's Group will reimburse the City and County of San Francisco for the costs of the improvements to Building 140 in the amount of $125,664.04; and,

WHEREAS, The value of the improvements to Building 140 that will (i) remain with the facility once the term has expired and (ii) make the facility more marketable, such as the roof patching, plumbing, electrical, and carpentry enhancements, and phone and internet services, totals $41,459.68; and,

WHEREAS, The Authority's Minimum Rent for Building 140 is $6,042.25 per month, which would amount to a total of $16,314.11 for the term of the proposed Use Permit; and,

WHEREAS, The Project Staff proposes to grant to the O'Brien's Group, Inc. a Use Permit commencing retroactively on November 10, 2007 through January 31, 2008, with rent credits in the maximum amount of $16,314.11; now therefore be it

RESOLVED, That the Authority Board hereby authorizes the Director of Island Operations to retroactively execute a Use Permit, including rent credits, with The O'Brien's Group, Inc., for the use of Building 140, in substantially the form attached hereto as Exhibit A, for the purpose of operating an Incident Command Post for the Cosco Busan Oil Spill Emergency; and be it

FURTHER RESOLVED, That the Authority Board hereby finds that (i) entering into the Use Permit will serve the public interests of the Authority and the City, and (ii) the terms of the Use Permit, including the rent credits, are economically reasonable in light of the emergency circumstances surrounding the need for the use of Building 140, as well as the improvements made to the facility.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of

the Authority at the Properly noticed meeting on December 12, 2007.

_____

Owen Stephens, Secretary

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USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference only as of November 13, 2007, is made by and between the Treasure Island Development Authority ("Authority") and the O'Brien's Group, Inc., a California corporation ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for Event Venues Naval Station Treasure Island (the "Master Lease"), by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use that certain property located on Naval Station Treasure Island (the "Property"), as more particularly described in the Master Lease; and

WHEREAS, Permittee seeks to use a portion of the Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. **Basic Permit Information**

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
Permittee:	THE O'BRIEN'S GROUP, INC., a California corporation
Premises (Section 2):	That certain portion of the Property commonly known as Building 140, the Nimitz Conference Center, and portions of the parking area adjacent thereto, all as more particularly shown on Exhibit B, attached hereto.
Structural Report (Section 5):	*Treasure Island Study, Seismic Evaluation of Building 140 The Nimitz Conference Center* prepared by SOH & Associates, a copy of which is attached hereto as Exhibit D (the "Structural Report").
Permitted Use (Section 6):	Building 140 shall be used for the establishment and operation of an incident command post for the coordinated response to the Cosco Busan oil spill, and for no other purpose whatsoever

Parking Rights (Section 7):	Up to one hundred (100) vehicles may be parked in the area designated for parking on Exhibit B, attached hereto
Permit Fees (Section 11):	In consideration of the building improvements that Permittee is funding in accordance with Section 35 below, the Authority grants a rental credit in an amount not to exceed $16,314.11, to compensate the minimum rental rate of $6,042.25 per month.
Term (Section 12):	Commencement Date and Time: November 10, 2007 at 8:00AM. Expiration Date and Time: January 31, 2008 at 5:00PM.
Utilities (Section 19):	Permittee shall arrange and pay for utilities directly with the San Francisco Public Utilities Commission.
Insurance Limits (Section 21):	Worker's Compensation Insurance - statutory amounts Employers' Liability Coverage with limits of not less than $1,000,000 for each accident or occurrence Comprehensive or Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage Comprehensive or Business Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage
Address for Notices (Section 26):	
Authority:	Treasure Island Development Authority 410 Avenue of the Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn.: Director of Island Operations Phone No.: (415) 274-0660 Fax No.: (415) 274-0299

Permittee:	The O'Brien's Group, Inc. 2929 East Imperial Hwy, Suite 290 Brea, CA 92821 Attn.: Keith Forster Phone No.: 714-577-2116 Fax No.: 714-577-2118
Security Deposit (Section 33):	Not Applicable.
Special Provisions (Section 35):	The Authority, at Permittee's sole cost and expense, shall provide, or cause to be provided, the improvements to the Premises described in Section 35 below.

2. **License of Premises**. Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. **Inspection of Premises**. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. **As Is; Disclaimer of Representations**. Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the

Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. **Seismic Report and Structural Report.** Without limiting Section 4 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. **Use of Premises.** Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Licensees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material**. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the release. In connection therewith; Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive

Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) **Nuisances**. Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) **Damage**. Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority property.

7. **Parking**. Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on Exhibit B attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises.

8. Resource Conservation and Sustainability. Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 32 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and all applicable provisions of the San Francisco Environment Code.

9. Subject to Authority and City Uses. Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

10. Alterations. Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

11. **Permit Fee**. Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

12. **Term of Permit; Revocability**. The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time, without cause and without any obligation to pay any consideration to Permittee.

13. **Compliance with Laws**. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g. General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

14. Security. In addition to the Permit Fee described in Section 11 above, Permittee shall provide the security, police and medical support services described on Exhibit E, attached hereto, at its sole cost and expense.

15. Rules and Regulations. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit F. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

16. Surrender. Upon the expiration of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

17. Repair of Damage. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs or behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

18. Public Safety. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

19. Utilities. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

20. Release and Waiver of Claims; Indemnification

20.1. Release and Waiver of Claims. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of

the Authority (except as provided in Section 20.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Authority from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 20.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

20.2. Acknowledgment. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

20.3. Permittee's Indemnity. Permittee, on behalf of itself and Permittee's Agents, shall indemnify, protect, defend and hold harmless forever ("Indemnify") the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or

Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 20.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 20.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

21. INSURANCE

21.1. Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Subtenant has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

21.2. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

21.3. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

21.4. Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

21.5. Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

21.6. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

21.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

21.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

21.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

21.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

22. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

23. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

24. Impossibility of Performance. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

25. Possessory Interest Taxes; Payment of Taxes. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

26. Notices. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

27. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

28. Non-Discrimination.

28.1 **Covenant Not to Discriminate**. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

28.2 **Subcontracts**. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 28.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

28.3 **Non-Discrimination in Benefits**. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

28.4 **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

29. **Tropical Hardwoods and Virgin Redwood.** The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

30. **No Tobacco Advertising**. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition

includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

31. Conflicts of Interest. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

32. Food Service Waste Reduction. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

In addition, if 2,000 or more of Permittee's Agents and/or Permittee's Licensee's will be at the Premises, Permittee shall submit a recycling and waste reduction plan to the Authority's Events Coordinator and comply with State Assembly Bill 2176 (Montanez, Chapter 879, Statutes of 2004).

33. Security Deposit. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 33, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

34. General Provisions. **(a)** This Permit may be amended or modified only by a writing signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this

Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. **(l)** This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

35. **Improvements to the Premises.** The Authority has caused to be made the following improvements to the Premises, at Permittee's request and at Permittee's sole cost and expense, to accommodate Permittee's use of the Premises:

Plumbing:
- Hooked up gas line for stove
- Rebuilt all flushometers and replaced all toilet floats

Carpentry:
- Patched roof
- Replaced lock set
- Repaired window
- Replaced sheetrock in bathroom

DTIS:
- Installed Voice Communication System
- Installed Data Communications System
- Installed wiring throughout building

Authority shall have no obligation to make, or cause to be made, any additional improvements to the Premises. Permittee shall pay for all costs relating to the above-described improvements or any additional improvements that Authority agrees to make in its sole and absolute discretion within fifteen (15) days after receipt of an invoice. Permittee shall make the payments directly to the City's Department of Public Works, DTIS or other agents or contractors who performed the work unless Authority directs Permittee to make the payments to Authority.

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

PERMITTEE:

The O'Brien's Group, Inc.,
a California corporation

By: _____

Name: _____

Title: _____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

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RENTAL CREDIT SUMMARY

Building 140-Nimitz Conference Center

Description	24,169 square feet	min rental rate $.25psf
Rental Term	**10-Nov-07**	**31-Jan-08**
Monthly Rate	$ 6,042.25	
Prorated per day	$ 201.41	
10-Nov-07	**10-Dec-07**	$ 6,042.25
10-Dec-07	**10-Jan-08**	$ 6,042.25
10-Jan-08	**31-Jan-08**	$ 4,229.61
TOTAL BUILDING 140		**$ 16,314.11**

Quarters 62

Description	3 Bedroom 2 Bath House	
Rental Term	**19-Nov-07**	**31-Jan-08**
Monthly Rate	$ 2,450.00	
Prorated per day	$ 81.67	
19-Nov-07	**19-Dec-07**	$ 2,450.00
19-Dec-07	**19-Jan-08**	$ 2,450.00
19-Jan-08	**31-Jan-08**	$ 980.04
TOTAL QUARTERS 62		**$ 5,880.04**

FACILITY IMPROVEMENTS BY THE O'BRIEN'S GROUP

Department of Public Works		
Plumbing	$ 9,986.51	
Carpentry	$ 2,429.26	
Electrical	$ 4,764.53	
TOTAL DPW	**$ 17,180.30**	
DTIS		
Voice/data Wiring Materials	$ 11,100.20	
Purchase Data Network Equip	$ 13,179.18	
TOTAL DTIS	**$ 24,279.38**	
Total Facility Improvements	**$ 41,459.68**	
TOTAL RENTAL CREDITS		$ 41,459.68
BUILDING 140		($16,314.11)
QUARTERS 62		($5,880.04)
REMAINING RENTAL CREDIT BALANCE		**$ 19,265.53**

AGENDA ITEM 10
Treasure Island Development Authority
City and County of San Francisco
December 12, 2007

Subject: **Resolution Approving and Authorizing the Director of Island Operations to Retroactively Execute a Use Permit, including Rent Credits, with The O'Brien's Group, Inc., for the Use of Quarters 62 for the Purpose of Temporary Onsite Housing for the Incident Commander for the Cosco Busan Oil Spill Emergency (Action Item)**

Contact: Mirian Saez, Director of Island Operations
Phone: 415-274-0660

BACKGROUND

On November 7, 2007, the container vessel COSCO BUSAN accidentally hit the D Span of the Bay Bridge. The vessel reported damage to the forward left side causing 58,000 gallons of heavy duty bunker fuel to spill into the San Francisco Bay.

A Unified Command was established that includes the US Coast Guard, the National Park Service, the California Fish and Game Office of Oil Spill Prevention and Response, the State Office of Emergency Services, the City and County of San Francisco Department of Emergency Management, and The O'Brien's Group, contractor for Cosco Busan.

In a separate agenda item, Project Staff is seeking the Board of Directors' approval of the issuance of a Use Permit to The O'Brien's Group for Building 140, the Nimitz Conference Center located on Treasure Island, to serve as the Incident Command Post (ICP) for the duration of the emergency response and cleanup. The term of the Use Permit for Building 140 is from November 10, 2007 through January 31, 2008.

Quarters 62 is a former Captain's House on Yerba Buena Island which has not been occupied since prior to 1997. Over the last ten years, no significant work has been done and little use has been made of the facility. Quarters 62 has the potential to be used as a rental facility for corporate housing or overnight accommodations in support of large scale events held on Treasure Island. The proximity of Quarters 62 in relation to Building 140 allows the Incident Commander quick and easy access to the ICP at all hours. The O'Brien's Group has requested a Use Permit, attached as Exhibit A, for Quarters 62 commencing retroactively on November 19, 2007 and expiring January 31, 2008, for temporary onsite housing for its Incident Commander.

The rental rate for Quarters 62 is estimated to be $5,000 per month if the facility was in pristine condition. Because little or no work has been done to the facility in over ten years, the facility cannot warrant this premium rate. The use of the facility by The O'Brien's Group has provided Project Staff with an opportunity to make improvements to the facility which will bring it to

livable standards for future use. The rate that has been established for the facility in its current condition is $2,450 per month. Rent at this rate for the proposed term of the Quarters 62 Use Permit would be $5,880.

BUILDING IMPROVEMENTS AND RENTAL CREDITS

The City's Department of Public Works (DPW) and Rubicon Landscaping Services performed minimum improvements to Quarters 62 in order to convert it into a livable condition utilizing approximately $12,117.47 from the Authority's capital improvement budget. The improvements made include replacement of linoleum flooring, painting, cleaning, window replacement, roof repair and asbestos removal. Landscaping enhancements were necessary to provide clear pathways to the facility and to improve the exterior's presentation.

Under the Use Permit for Building 140, The O'Brien's Group is entitled to receive rental credits based on the value of improvements that have been made to Building 140 that (i) will remain in the facility after the expiration of the term of the Use Permit and (ii) make the facility more marketable for events. DPW and the City's Department of Telecom and Information Services made the Building 140 improvements and The O'Brien's Group will reimburse the City directly for the cost of the improvements.

The of rent credit balance available under the Building 140 Use Permit is $25,145.57. Project Staff proposes to apply the rent credit balance under the Building 140 Use Permit to the $5,880 in rent that would otherwise be due under the Quarters 62 Use Permit. A summary of Rental Credits is attached as Exhibit B.

Project Staff requests approval of the Use Permit, including the rent credits described above, in support of the Incident Command Post.

BUDGET IMPACT

The total cost of improvements made by DPW and Rubicon Landscaping Services to Quarters 62 equals $12,117.47. These funds were previously set aside in the Authority's Capital Improvement Budget for the purpose of making improvements to the residential Quarters prior to the request for use of Quarters 62 by The O'Brien's Group.

RECOMMENDATION

Project Staff recommends approving and authorizing the Director of Island Operations to retroactively execute a Use Permit, including rent credits, with The O'Brien's Group, Inc., for the use of Quarters 62, for the purpose of temporary onsite housing for the Incident Commander for the Cosco Busan Oil Spill Emergency.

EXHIBITS

Exhibit A: Use Permit between the Authority and The O'Brien's Group for Use of Quarters 62, from November 19, 2007 through January 31, 2008

Exhibit B: Rental Credit Summary

Prepared by: Lori Mazzola, Event Coordinator
For Mirian Saez, Director of Island Operations

[Use Permit with The O'Brien's Group, Inc. for use of Quarters 62]

Resolution approving and authorizing the Director of Island Operations to retroactively execute a Use Permit, including rent credits, with The O'Brien's Group, Inc., for the use of Quarters 62 for the purpose of providing temporary onsite housing for the Incident Commander for the Cosco Busan Oil Spill Emergency.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On November 7, 2007, the container vessel COSCO BUSAN accidentally hit the D span of the Bay Bridge and the vessel reported damage to the forward left side causing 58,000 gallons of heavy duty bunker fuel to spill into the San Francisco Bay; and,

WHEREAS, The U.S. Coast Guard is the lead agency for both the monitoring and the clean up of the spill and a Unified Command has been set up with the US Coast Guard, California Fish and Game Office of Oil Spill Prevention and Response, the Department of Emergency Management, the National Park Service, and the O'Brien's Group (contracted by the responsible party to perform cleanup); and,

WHEREAS, The O'Brien's Group has entered into a Use Permit agreement for use of Building 140, the Nimitz Conference Center, the former officer's club located on Treasure Island as its San Francisco Bay Area Oil Spill Incident Command Post (ICP) for up to 350 response workers from the various agencies; and,

WHEREAS, Quarter's 62 is a former Captain's House on Yerba Buena Island which has not been occupied since 1997 and no significant work has been and little use has been made of the facility in the past ten years, but Quarters 62 has the potential to be used as a rental facility for corporate housing or overnight accommodations in support of large scale events taking place on Treasure Island; and,

WHEREAS, The proximity of Quarters 62 in relation to Building 140 allows the Incident Commander quick and easy access to the ICP at all hours; and,

WHEREAS, The O'Brien's Group, Inc. requested a Use Permit for Quarters 62 with a term commencing retroactively on November 19, 2007 and expiring on January 31, 2008; and,

WHEREAS, The Department of Public Works (DPW) and Rubicon Landscape Services performed improvements to Quarters 62 to convert it into a useable condition for housing for the Incident Commander, including replacement of linoleum flooring in the kitchen and bathroom, roof patching and asbestos removal, painting and ceiling repair, window replacement, and phone and information systems wiring and installation; and,

WHEREAS, The improvements made to Quarters 62 will result in a more marketable facility from which to generate increased revenue for the Authority; and,

WHEREAS, The Authority's Minimum Rent for Quarters 62 is $2,450 per month, which would amount to a total of $5,880 for the term of the proposed Use Permit; and,

WHEREAS, The Project Staff proposes to grant to the O'Brien's Group, Inc. a Use Permit commencing retroactively on November 19, 2007 through January 31, 2008; and,

WHEREAS, The O'Brien's Group has paid for improvements to Building 140 which have resulted in rental credits under the Building 140 Use Permit; and,

WHEREAS, The cost of the Building 140 improvements exceeds the rent credits granted to The O'Brien's Group under the Building 140 Use Permit by $25,145.57 and,

WHEREAS, The Project Staff proposes to apply $5,880 of the rent credit balance under the Building 140 Use Permit to the $5,880 in rental fees that would otherwise be due under the Quarters 62 Use Permit;

now therefore be it

RESOLVED, That the Authority Board hereby authorizes the Director of Island Operations to retroactively execute a Use Permit, including rent credits, with The O'Brien's Group, Inc., for the use of Quarters 62, in substantially the form attached hereto as Exhibit A, for the purpose of temporary onsite housing for the Incident Commander for the Cosco Busan Oil Spill Emergency; and be it

FURTHER RESOLVED, That the Authority Board hereby finds that (i) entering into the Use Permit will serve the public interests of the Authority and the City, and (ii) the terms of the Use Permit, including the rent credits, are economically reasonable in light of the emergency circumstances surrounding the need for the use of Quarters 62, as well as the improvements made to Building 140.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and

that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at the Properly noticed meeting on December 12, 2007.

_____

Owen Stephens, Secretary

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USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference only as of November 15, 2007, is made by and between the Treasure Island Development Authority ("Authority") and the O'Brien's Group, Inc., a California corporation ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for Land and Structures Naval Station Treasure Island (the "Master Lease"), by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use that certain property located on Naval Station Treasure Island (the "Property"), as more particularly described in the Master Lease; and

WHEREAS, Permittee seeks to use a portion of the Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. Basic Permit Information

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
Permittee:	THE O'BRIEN'S GROUP, INC., a California corporation
Premises (Section 2):	That certain portion of the Property commonly known as Quarters 62 and portions of the parking area adjacent thereto, all as more particularly shown on Exhibit B, attached hereto.
Structural Report (Section 5):	None.
Permitted Use (Section 6):	Quarters 62 shall be used as a temporary private residence for the Incident Commander and for no other purpose whatsoever.
Parking Rights (Section 7):	Up to three (3) vehicles may be parked in the area designated for parking on Exhibit B, attached hereto.

Permit Fees (Section 11):	In consideration of the building improvements made by Permittee referenced in a separate Use Permit for use of Building 140, dated, November 13, 2007, the Authority grants a rental credit in an amount not to exceed $5,880, to compensate the minimum rental rate of $2,450.00 per month.
Term (Section 12):	Commencement Date and Time: November 19, 2007 at 8:00AM. Expiration Date and Time: January 31, 2008 at 5:00PM.
Utilities (Section 19):	See Section 19.
Insurance Limits (Section 21):	Worker's Compensation Insurance - statutory amounts Employers' Liability Coverage with limits of not less than $1,000,000 for each accident or occurrence Comprehensive or Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage Comprehensive or Business Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage
Address for Notices (Section 26):	
Authority:	Treasure Island Development Authority 410 Avenue of the Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn.: Director of Island Operations Phone No.: (415) 274-0660 Fax No.: (415) 274-0299
Permittee:	The O'Brien's Group, Inc. 2929 East Imperial Hwy, Suite 290 Brea, CA 92821 Attn.: Keith Forster Phone No.: 714-577-2116 Fax No.: 714-577-2118
Security Deposit (Section 33):	Not Applicable.

2. **License of Premises**. Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. **Inspection of Premises**. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. **As Is; Disclaimer of Representations**. Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. **Seismic Report and Structural Report.** Without limiting Section 4 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached

hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. **Use of Premises.** Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Licensees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material**. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) **Nuisances**. Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without

limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) **Damage**. Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority property.

7. **Parking**. Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on Exhibit B attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises.

8. **Resource Conservation and Sustainability**. Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 32 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and all applicable provisions of the San Francisco Environment Code.

9. **Subject to Authority and City Uses.** Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

10. **Alterations.** Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

11. **Permit Fee**. Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

12. **Term of Permit; Revocability**. The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time, without cause and without any obligation to pay any consideration to Permittee.

13. **Compliance with Laws**. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g. General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

14. **Security**. In addition to the Permit Fee described in Section 11 above, Permittee shall provide the security, police and medical support services described on Exhibit E, attached hereto, at its sole cost and expense.

15. **Rules and Regulations**. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit F. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

16. **Surrender**. Upon the expiration of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

17. **Repair of Damage**. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs or behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

18. **Public Safety**. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

19. **Utilities**. Authority shall provide basic gas, electricity and water to the Premises in reasonable and customary amounts (the "Standard Utilities and Services"). Permittee shall be responsible for furnishing, at its sole cost and expense, any utilities and services other than or in excess of the Standard Utilities and Services that Permittee may need for its use of the Premises. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities.

20. **Release and Waiver of Claims; Indemnification**

20.1. Release and Waiver of Claims. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 20.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Authority from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses,

costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 20.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

20.2. Acknowledgment. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

20.3. Permittee's Indemnity. Permittee, on behalf of itself and Permittee's Agents, shall indemnify, protect, defend and hold harmless forever ("Indemnify") the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 20.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of

investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 20.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

21. INSURANCE

21.1. Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Subtenant has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

21.2. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

21.3. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

21.4. Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

21.5. Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

21.6. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

21.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

21.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

21.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

21.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

22. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

23. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

24. Impossibility of Performance. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

25. Possessory Interest Taxes; Payment of Taxes. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

26. Notices. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

27. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

28. Non-Discrimination.

28.1 Covenant Not to Discriminate. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

28.2 Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 28.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

28.3 Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or

where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

28.4 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

29. Tropical Hardwoods and Virgin Redwood. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

30. No Tobacco Advertising. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

31. Conflicts of Interest. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

32. Food Service Waste Reduction. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision,

Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

In addition, if 2,000 or more of Permittee's Agents and/or Permittee's Licensee's will be at the Premises, Permittee shall submit a recycling and waste reduction plan to the Authority's Events Coordinator and comply with State Assembly Bill 2176 (Montanez, Chapter 879, Statutes of 2004).

33. Security Deposit. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 33, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

34. General Provisions. **(a)** This Permit may be amended or modified only by a writing signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. **(l)** This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

35. **Lead Disclosure**. Many homes and apartments built before 1978 have paint that contains lead (called lead-based paint). Lead from paint chips and dust can pose serious health hazards if not taken care of properly. The Law requires that tenants and permittees receive certain information before renting pre-1978 housing. By signing this Use Permit, Permittee represents and agrees that Authority has provided Premittee with such information, including, but not limited to:

- EPA Booklet entitled "Protect Your Family from Lead in Your Home"
- San Francisco Lead Hazard Notice for Pre-1978 Dwellings
- Disclosure of Information on Lead-Based Paint Hazards

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

PERMITTEE:

The O'Brien's Group, Inc.,
a California corporation

By: _____

Name: _____

Title: _____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

RENTAL CREDIT SUMMARY

Building 140-Nimitz Conference Center

Description	24,169 square feet	min rental rate $.25psf
Rental Term	**10-Nov-07**	**31-Jan-08**
Monthly Rate	$ 6,042.25	
Prorated per day	$ 201.41	
10-Nov-07	**10-Dec-07**	$ 6,042.25
10-Dec-07	**10-Jan-08**	$ 6,042.25
10-Jan-08	**31-Jan-08**	$ 4,229.61
TOTAL BUILDING 140		**$ 16,314.11**

Quarters 62

Description	3 Bedroom 2 Bath House	
Rental Term	**19-Nov-07**	**31-Jan-08**
Monthly Rate	$ 2,450.00	
Prorated per day	$ 81.67	
19-Nov-07	**19-Dec-07**	$ 2,450.00
19-Dec-07	**19-Jan-08**	$ 2,450.00
19-Jan-08	**31-Jan-08**	$ 980.04
TOTAL QUARTERS 62		**$ 5,880.04**

FACILITY IMPROVEMENTS BY THE O'BRIEN'S GROUP

Department of Public Works		
Plumbing	$ 9,986.51	
Carpentry	$ 2,429.26	
Electrical	$ 4,764.53	
TOTAL DPW	**$ 17,180.30**	
DTIS		
Voice/data Wiring Materials	$ 11,100.20	
Purchase Data Network Equip	$ 13,179.18	
TOTAL DTIS	**$ 24,279.38**	
Total Facility Improvements	**$ 41,459.68**	
TOTAL RENTAL CREDITS		$ 41,459.68
BUILDING 140		($16,314.11)
QUARTERS 62		($5,880.04)
REMAINING RENTAL CREDIT BALANCE		**$ 19,265.53**

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



GAVIN NEWSOM, MAYOR

SF
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DRAFT Minutes of Meeting
Treasure Island Development Authority
December 12, 2007

San Francisco City Hall
Room 400
San Francisco, CA

1. **Call to Order:** 6:38 PM

Roll Call Present: Claudine Cheng (Chair)
Jared Blumenfeld
John Elberling
Matthew Franklin
Owen Stephens

Excused: Fred Blackwell
Jesse Blout
Supervisor Chris Daly

DOCUMENTS DEPT.

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2. Report by Director of Island Operations

Ms. Mirian Saez, Director of Island Operations, provided an update on her schedule and activities on the Island. Discussed the continued use of the Nimitz Conference Center on Treasure Island by the Coast Guard, Department of Fish and Game and representatives of the shipping company as the site of the coordinated joint response operations. Discussed clean-up of oil from spill in Clipper Cove and on the Island seawall. Provided a report on the to-date finances for FY2007-2008. Discussed her recent meeting with Mayor Newsom over a variety of Treasure Island issues. Discussed a recent meeting with the City Attorney, Police Department and the Treasure Island Marina operator, Almar, regarding establishing an ordinance to govern anchor-outs in Clipper Cove. Stated that a Treasure Island NERT class graduated at the end of November, and that the Department of Public Health and Department of Emergency Management will be placing supply trailers on Treasure Island in order to improve the Island's preparedness for disasters and emergencies. Discussed recent efforts to regulate parking on the Island.

3. Report by the Office of Base Reuse and Development

Mr. Jack Sylvan, Treasure Island Redevelopment Project Manager, discussed the planned Environmental Impact Review by the Planning Department and the proposed scope of the EIR. Discussed recent planning efforts by Treasure Island Community Development for the historic hangars on Treasure Island. Discussed recent meetings between staff and the U.S. Navy regarding transfer of the base.

Ms. Kyri McClellan, Office of Base Reuse, provided an update on recent proposed state legislation affecting the redevelopment planning on the Island.

4. Communications
There was no discussion of the Communications.

5. Report by the Treasure Island/Yerba Buena Island Citizen Advisory Board
There was no report provided at this meeting.

6. Ongoing Business by Directors
There was no discussion on this item.

7. General Public Comment
There was no General Public Comment made.

8. Consent Agenda
There was no Public Comment on the Consent Agenda.

Director Franklin motioned for approval.
Director Elberling seconded the motion.
The Consent Agenda was approved unanimously.

9. Use Permit with The O'Brien's Group for the Nimitz Conference Center – Building 140

10. Use Permit with The O'Brien's Group for Quarters 62 on Yerba Buena Island
Ms. Lori Mazzola, TIDA Special Events Coordinator, presented two Use Permits with the O'Briens Group for use of the Nimitz Conference Center and Quarters 62. On November 7, 2007, the container vessel COSCO BUSAN accidentally hit the D Span of the Bay Bridge, causing 58,000 gallons of heavy duty bunker fuel to spill into the San Francisco Bay. The San Francisco Bay Area Oil Spill Incident Command Post (ICP) was originally located at the Fort Mason Firehouse. Due to scheduling conflicts, The O'Brien's Group approached the Project Staff and sought a location to permanently house the ICP for the duration of the emergency response and cleanup. Because of its size and location, Building 140 was identified as an appropriate site to house up to 350 response workers from the various agencies. The ICP commenced operations in Building 140 on November 10, 2007. The Department of Public Works (DPW) and the Department of Telecom and Information Systems (DTIS) performed significant improvements to the facility to convert it into a useable condition for the ICP. The value of the improvements to Building 140 that will remain with the facility once the term of the Use Permit has expired and make the facility more marketable, such as the roof repair, plumbing, electrical, carpentry enhancements, and phone and internet service wiring, total over $41,000.

Project Staff proposes to grant The O'Brien Group rent credits under the proposed Use Permit up to the maximum amount of $16,314.11.
Quarters 62 is a former Captain's House on Yerba Buena Island which has not been occupied since prior to 1997. Over the last ten years, no significant work has been done and little use has been made of the facility. Quarters 62 has the potential to be used as a rental facility for corporate housing or overnight accommodations in support of large scale events held on Treasure Island. The proximity of Quarters 62 in relation to Building 140 allows the Incident Commander quick and easy access to the ICP at all hours. The O'Brien's Group has requested a Use Permit, attached as Exhibit A, for Quarters 62 commencing retroactively on November 19, 2007 and expiring January 31, 2008, for temporary onsite housing for its Incident Commander. The City's Department of Public Works (DPW) and Rubicon Landscaping Services performed minimum improvements to Quarters 62 in order to convert it into a livable condition utilizing approximately $12,117.47 from the Authority's capital improvement budget. Under the Use Permit for Building 62, The O'Brien's Group is entitled to receive rental credits based on the value of improvements that have been made to Quarters 62 that will remain in the facility after the expiration of the term of the Use Permit and make the facility more marketable for events. DPW and the City's Department of Telecom and Information Services made the Building 140 improvements and The O'Brien's Group will reimburse the City directly for the cost of the improvements.

There was no Public Comment on Item 9.

Director Stephens motioned for approval of Item 9.
Director Elberling seconded the motion.
Item 9 was approved unanimously.

There was no Public Comment on Item 10.

Director Stephens motioned for approval of Item 10.
Director Elberling seconded the motion.
Item 10 was approved unanimously.

11. Presentation on Comprehensive Tree Plan for Yerba Buena Island

Mr. Marc McDonald, TIDA Facilities Manager, presented a tree maintenance plan for Yerba Buena Island. Stated that overgrowth of trees and vegetation on Yerba Buena Island is a concern and has the potential to lead to a greater hazard if not addressed appropriately. Stated that staff has worked with Rubicon landscapers over the last several months to develop a forward-looking plan for the ongoing maintenance of Yerba Buena Island vegetation. Discussed the steps staff, Rubicon and the San Francisco Fire Department took to identify hazards and overgrowth and to finalize a reasonable plan which is budgeted for appropriately.

Director Blumenfeld recommended that staff contact the Urban Forest Council to discuss any assistance the UFC could provide to the program.

Public Comment
Ms. Sherry Williams, Treasure Island Homeless Development Initiative, spoke in support of a

vegetation plan for Treasure Island as well which would address tree roots breaking through concrete on the Island.

Ms. Ruth Gravanis spoke in support of the plan and in support of the plan coordinating with appropriate habitat maintenance practices and adhering to horticultural standards.

12. Presentation by San Francisco Police Department

Sgt. ____ Yee, San Francisco Police Department, presented recent information about crime and San Francisco Police Department activities on Treasure and Yerba Buena Island. Discussed crime statistics for the previous several months as well as the increase in patrols and training being held on the Island. Stated that Captain McDonagh of Southern Station has named him the SFPD liaison to TIDA and TIDA staff, and that he looks forward to working with TIDA staff to address crime and safety issues on the Islands.

Director Stephens requested further information on residential burglaries on the Island in the previous several months.

There was no Public Comment on this item.

13. Presentation by San Francisco Municipal Transit Agency

Ms. Debra Johnson, SF MTA, spoke regarding service enhancements to the MUNI 108 bus line and regarding improvement and maintenance of bus shelters on-Island. Stated that the MUNI 108 bus will soon extend its route to include a stop at 4th and Townsend Streets to provide residents access to that commercial corridor. The route extension will take place between the hours of 2 PM and 10 PM. Also discussed MTA's plans to replace various bus shelters on the Island once the new contract for bus shelters in San Francisco has been approved. MTA is working with TIDA staff to identify current on-Island shelters which may be appropriate for replacement.

Public Comment
Ms. Ruth Gravanis spoke in support of the planned extension of the MUNI 108.

14. Discussion of Future Agenda Items by Directors

There was no discussion on this item.

15. Closed Session for Conference with Real Property Negotiators

There was no public comment on the proposed Closed Session.

Director Stephens motioned to move to closed session.
Director Franklin seconded the motion.
The TIDA Board went into Closed Session at 2:30 PM.

Closed Session Attendees
Jack Sylvan and Michael Tymoff, Office of Base Reuse and Development
Peter Summerville and Mirian Saez, Treasure Island Development Authority
Eileen Malley, Office of the City Attorney

The TIDA Board returned to Open Session at 3:03 PM.

Director Elberling motioned not to disclose the Closed Session discussion.
Director Blumenfeld seconded the motion
The Board unanimously voted not to disclose the Closed Session discussion.

The meeting was adjourned at 3:04 PM.

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

Minutes of Meeting
Treasure Island Development Authority
December 12, 2007

San Francisco City Hall
Room 400
San Francisco, CA

SF
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#2
12/12/07
[final]

1. **Call to Order**: 6:38 PM

Roll Call Present: Claudine Cheng (Chair)
Jared Blumenfeld
John Elberling
Matthew Franklin
Owen Stephens

Excused: Fred Blackwell
Jesse Blout
Supervisor Chris Daly

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2. **Report by Director of Island Operations**

Ms. Mirian Saez, Director of Island Operations, provided an update on her schedule and activities on the Island. Discussed the continued use of the Nimitz Conference Center on Treasure Island by the Coast Guard, Department of Fish and Game and representatives of the shipping company as the site of the coordinated joint response operations. Discussed clean-up of oil from spill in Clipper Cove and on the Island seawall. Provided a report on the to-date finances for FY2007-2008. Discussed her recent meeting with Mayor Newsom over a variety of Treasure Island issues. Discussed a recent meeting with the City Attorney, Police Department and the Treasure Island Marina operator, Almar, regarding establishing an ordinance to govern anchor-outs in Clipper Cove. Stated that a Treasure Island NERT class graduated at the end of November, and that the Department of Public Health and Department of Emergency Management will be placing supply trailers on Treasure Island in order to improve the Island's preparedness for disasters and emergencies. Discussed recent efforts to regulate parking on the Island.

3. **Report by the Office of Base Reuse and Development**

Mr. Jack Sylvan, Treasure Island Redevelopment Project Manager, discussed the planned Environmental Impact Review by the Planning Department and the proposed scope of the EIR. Discussed recent planning efforts by Treasure Island Community Development for the historic hangars on Treasure Island. Discussed recent meetings between staff and the U.S. Navy regarding transfer of the base.

Ms. Kyri McClellan, Office of Base Reuse, provided an update on recent proposed state legislation affecting the redevelopment planning on the Island.

4. Communications
There was no discussion of the Communications.

5. Report by the Treasure Island/Yerba Buena Island Citizen Advisory Board
There was no report provided at this meeting.

6. Ongoing Business by Directors
There was no discussion on this item.

7. General Public Comment
There was no General Public Comment made.

8. Consent Agenda
There was no Public Comment on the Consent Agenda.

Director Franklin motioned for approval.
Director Elberling seconded the motion.
The Consent Agenda was approved unanimously.

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The meeting was adjourned at 3:04 PM.

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